# Chapter 1 Modern Project Management

## Chapter Outline

1. What Is a Project?

A. What a Project Is Not

B. The Project Life Cycle

C. The Project Manager

D. Being Part of a Project Team

2. Current Drivers of Project Management

A. Compression of the Product Life Cycle

B. Knowledge Explosion

C. Triple Bottom Line (Planet, People, Profit)

D. Increased Customer Focus

E. Small Projects Represent Big Problems

3. Project Governance

A. Alignment of Projects with Organizational Strategy

4. Project Management Today: A Socio-Technical Approach

5. Summary

6. Text Overview

7. Key Terms

8. Review Questions

9. Exercises

10. Case 1.1: A Day in the Life

11. Case1.2: The Hokie Lunch Group

## Chapter Learning Objectives

After reading this chapter you should be able to:

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| LO 1-1 | Understand why project management is crucial in today’s world. |
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| LO 1-2 | Distinguish a project from routine operations. |
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| LO 1-3 | Identify the different stages of project life cycle. |
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| LO 1-4 | Understand the importance of projects in implementing organization strategy. |
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| LO 1-5 | Understand that managing projects involves balancing the technical and sociocultural dimensions of the project. |

## Review Questions

**1. Define a project. What are five characteristics which help differentiate projects from other functions carried out in the daily operations of the organization?**

A project is a complex, non-routine, one-time effort limited by time, budget, resource, and specifications. Differentiating characteristics of projects from routine, repetitive daily work are below:

1. A defined life span
2. A well-defined objective
3. Typically involves people from several disciplines
4. A project life cycle
5. Specific time, cost, and performance requirements.

**2. What are some of the key environmental forces that have changed the way projects are managed? What has been the effect of these forces on the management of projects?**

Some environmental forces that have changed the way we manage projects are the product life cycle, knowledge growth, global competition, organization downsizing, technology changes, time-to-market. The impact of these forces is more projects per organization, project teams responsible for implementing projects, accountability, changing organization structures, need for rapid completion of projects, linking projects to organization strategy and customers, prioritizing projects to conserve organization resources, alliances with external organizations, and so on.

**3. Why is the implementation of projects important to strategic planning and the project manager?**

Strategic plans are implemented primarily through projects—e.g., a new product, a new information system, a new plant for a new product. The project manager is the key person responsible for completing the project on time, on budget, and within specifications so the project’s customer is satisfied. If the project is not linked to the strategic plan of the organization, resources devoted to the project are wasted and a customer need is not met. This lack of connectivity occurs more in practice than most would believe.

**4. The technical and sociocultural dimensions of project management are two sides to the same coin. Explain.**

The system and sociocultural dimensions of project management are two sides of the same coin because successful project managers are skillful in both areas. The point is successful project managers need to be very comfortable and skillful in *both* areas.

**5. What is the impact of governance to managing an individual project? Why is this approach important in today’s environment?**

Governance signals to the project manager that decisions at a higher level can impact management of an individual project. Reviews (called “Gating”) during project implementation assess current performance and priorities and decide to continue, halt, hold, or revised the project.

Governance is most frequently used to balance resources and risk over all organizational resources. It is also used to enforce or alter priorities and to ensure project align with organizational strategies and goals. In today’s fast-paced world priorities can change quickly and can impact in process projects.

## Exercises

**1. Review the front page of your local newspaper, and try to identify all the projects contained in the articles. How many were you able to find?**

It is nearly impossible to open a newspaper and not find articles relating to projects. Sunday editions are especially good for this exercise. Even experienced project managers find the number of projects far greater than they would have predicted. Each one is managed by a project manager! This is a good illustration of the important role projects play in our daily lives.

**2. Individually identify what you consider to be the greatest achievements accomplished by mankind in the last five decades. Now share your list with three to five other students in the class, and come up with an expanded list. Review these accomplishments in terms of the definition of a project. What does your review suggest about the importance of project management?**

Typical responses center on technology, medical advances, space exploration—e.g., computer advances, laser operations and new drugs, building the space station. Often you have to point out that many of these projects are really programs.

We usually select two or three student suggestions of projects (there will be plenty!) and ask the students to identify the kinds of problems the project manager of the project may have had to deal with. Again, once the students get into the exercise, the problems they can envision are many. These problems are placed on the board. After the board is near filled and most students have participated, we try to show or classify on the board the problems by the content of the text chapters. The intent is to demonstrate to the class the course and text will address many of the problems suggested by the students.

**3. Individually identify projects assigned in previous terms. Were both sociocultural and technical elements factors in the success or difficulties in the projects?**

Students will naturally focus on sociocultural aspects in part because they are more familiar with concepts such as leadership, problem-solving, and teamwork than scope, WBS, and baseline budgets. Furthermore interpersonal friction is often a source of consternation on student projects. The instructor may have to point out that interpersonal conflicts often arise from ill-defined scopes, uneven work schedules, and poor planning.

**4. Check out the Project Management Institute’s home page at** [***www.pmi.org***](http://www.pmi.org)***.***

**a. Review general information about PMI as well as membership information.**

Answers will vary. The PMI website undergoes periodic updates.

**b. See if there is a PMI chapter in your state. If not, where is the closest one?**

Answers will vary depending on your location.

**c. Use the search function at the PMI home page to find information on Project Management Body of Knowledge (PMBOK). What are the major knowledge areas of PMBOK?**

This search turns up a very wide variety of information including books the student can purchase, how to articles, and tools and templates. It will take some searching but the student can find that the ten knowledge areas are as follows:

1. Project Integration Management
2. Project Scope Management
3. Project Time Management
4. Project Cost Management
5. Project Quality Management
6. Project Human Resource Management
7. Project Communications Management
8. Project Risk Management
9. Project Procurement Management
10. Project Stakeholder Management

**d. Explore other links that PMI provides. What do these links tell you about the nature and future of project management?**

## Case 1.1 A Day in the Life

**Rachel, the project manager of a large information systems project, arrives at her office early to get caught up with work before her co-workers and project team arrive. However, as she enters the office she meets Neil, one of her fellow project managers, who also wants to get an early start on the day. Neil has just completed a project overseas. They spend 10 minutes socializing and catching up on personal news.**

(Rest of case not shown due to length.)

This case shows a glimpse of what it is like to be a project manager. It also underscores that being a project manager is more social than technical and that project managers spend the majority of their time interacting with various people who impact a project.

Note: This case can either be used up front in the course or towards the end when the sociocultural aspects of project management have been covered.

**1. How effectively do you think Rachel spent her day?**

Students will be divided in their evaluation of Rachel. Some will argue that she is inefficient and does not have control over her time. Others will argue that this is the nature of the job, and is to be expected. They will point out that she is appropriately spending her time managing relations and keeping on top of things that affect the project. We tend to observe that students with little work experience are much more critical than those with work experience.

*Note*: International students often take exception to Rachel devoting lunch time to gossiping and taking time to relax and listen to music. They feel these are inappropriate behaviors. When used towards the end of the course the case can stimulate a lively discussion between international and American students.

**2. What does the case tell you about what it is like to be a project manager?**

Rachel’s day underscores three key functions project managers spend their time performing:

1. Building and sustaining interpersonal relations. Project managers have to network and develop good working relations with team members and other project stakeholders.
2. Information gathering and dissemination. Project managers are the information hub for their projects. They are in constant communication with various stakeholders, collecting information from various sources, and sending it to those who have a need to know.
3. Decision-making. Project managers consult with various people to make decisions necessary to complete the project.

## Case 1.2 The Hokie Lunch Group

**Fatma settled down for lunch at the Yank Sing Chinese restaurant. She was early and took the time to catch up on her e-mail. Soon she would be joined by Jasper and Viktoria, two fellow 2014 grads from Virginia Tech in Blacksburg, Virginia.**

(Rest of case not shown due to length.)

This case is designed to provide students a glimpse of what it is like to work on projects. Over the course of monthly lunch meetings students are exposed to a variety of management issues as well as the different phases of the project life cycle.

1. **For each part (A, B, C) what phase of the project lifecycle is each project in?**

### Part A

Viktoria and Jasper’s projects are in the Executing phase with PAX2 entering a critical testing stage. Fatma’s project appears to be in the Defining phase where she is working on defining the scope of the project.

### Part B

Viktoria and Jasper’s projects continue to be in the Executing phase with Jasper feeling intense pressure after missing a second milestone. Fatma’s project appears to be in the planning phase since she is involved in scheduling work.

### Part C

Viktoria is wrapping up her successful project during the Closing phase. Jasper’s project, on the other hand, has been canceled and he is now looking for work. Fatma’ renovation project is now in the Executing phase.

1. **What are two important things you learned about working on projects from the case? Why are they important?**

This is an open ended question and responses will vary depending upon level of experience and exposure to project management.

The case involves a number of key project management issues:

### Part A

How projects vary in the degree that scope can be defined up front, and how difficult it can be to define the score of software projects.

The creation of a global tag team whereby people can be working on the project around the clock.

The importance of establishing project priorities up front.

### Part B

The importance of risk management and utilizing what was learned from previous projects.

The pressure of working on urgent projects that are behind schedule.

The political side of project management and how people try to influence each other on projects.

### Part C

The risks and rewards of working on projects.

The importance of conducting project retrospective during the Closing phase of the project.

The sometimes boring nature of the Closing phase