LESSON 2

Project Management Fundamentals

Understanding the Profession

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In This Session:

2A What Is a Project?

2B Project Management Challenges

2C Project or Operational Work?

2D Programs and Portfolios

2E The Project Environment

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2A What Is a Project?

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What Is a Project?

A temporary endeavor undertaken to create a unique product, service, or result.



Breaking Down the Definition of a Project

- An **endeavor** refers to work that delivers value, such as a product, service, or change.
- **Temporary undertaking** means the work has a beginning and an end.
- We can also assume this bridge is **unique** and didn't exist previously.



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Significance of Projects



They bring and drive **change**.

They deliver **benefits** that enable **value creation** for a business or organization.

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What Is Project Management?

The application of knowledge, skills, tools, and techniques to project activities to meet the project requirements.



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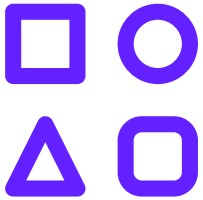
Breaking Down the Definition of Project Management



The application of knowledge, skills, tools, and techniques to project activities to meet project requirements



Role facilitates project work to deliver the intended outcomes



Broad range of approaches

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Benefits of Project Management

- **Improved chance of project success** and delivering the expected benefits for the project
- **Increased satisfaction** for stakeholders
- **Completion** of projects on schedule, within budget, and with acceptable quality … is much more likely
- **Optimizes use** of company talent and resources
- **Enables focus** on customers and quality
- **Reduced risk** of project failure

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2B Project Management Challenges

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Project Disappointment and Failure



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Project Management Challenges

Risk
Issue
Assumption
Constraint

Issue—A current condition or situation that may have an impact on the project objectives

Risk—An event or condition of uncertainty that, if it occurs, has a positive or negative effect on one or more project objectives

Risks and issues are closely linked.

Assumption—A factor in the planning process that's considered to be true, real, or certain without proof or demonstration

Constraint—An external factor that limits the ability to plan

Constraints and assumptions are closely linked.

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Balancing Competing Constraints

- Constraints may **shift** and **change**, so a project manager must **balance competing constraints** throughout a project.
- Balancing these shifting constraints is **a project planning activity**.
- Understand the **priority of constraints**: Ask “Which is most important to address?”



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Consider the Impact of Project Risk



Risks have the potential to create both uncertain negative and positive events or conditions on a project.

Is this statement correct?

Yes

That's correct. Risks have the potential to create uncertain negative and positive conditions (known as opportunities) on a project.

No

That's incorrect. Risks can create both negative and positive conditions on projects. Your team should understand as many of the potential risks as possible and put a robust risk-management process in place.

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2C Project or Operational Work?

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What Do We Mean by “Operations”?

The ongoing execution of activities that follow an organization’s procedures to produce the same result or a repetitive service; operations are permanent in nature.



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Projects and Operations in a Bakery

Baking bread is an ongoing, repetitive process that occurs day after day, with no distinct beginning or end.

That makes it **operational** work.

What would the bakery consider a **project**?



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The Relationship Between Projects and Operations

- **Project**—Installing an oven at the bakery
- **Operations**—Using the oven to bake bread



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Project or Operation?

Attribute	Project	Operations
Time	Begins and ends	Ongoing and repetitive
Outcome	Unique product or service	A familiar or repeated product or service
Use of people and resources	Temporary	Permanent
Authority–Who is in charge?	Project manager, with authority varying from weak to strong	Functional manager with formal and direct authority over people and processes

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2D Programs and Portfolios

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What's the Difference?



A project may or may not be part of a program, but a program will always have projects.



Program

Portfolio

Program

Related projects, subsidiary programs, and program activities managed in a coordinated manner to obtain **benefits** not available from managing them individually

Portfolio

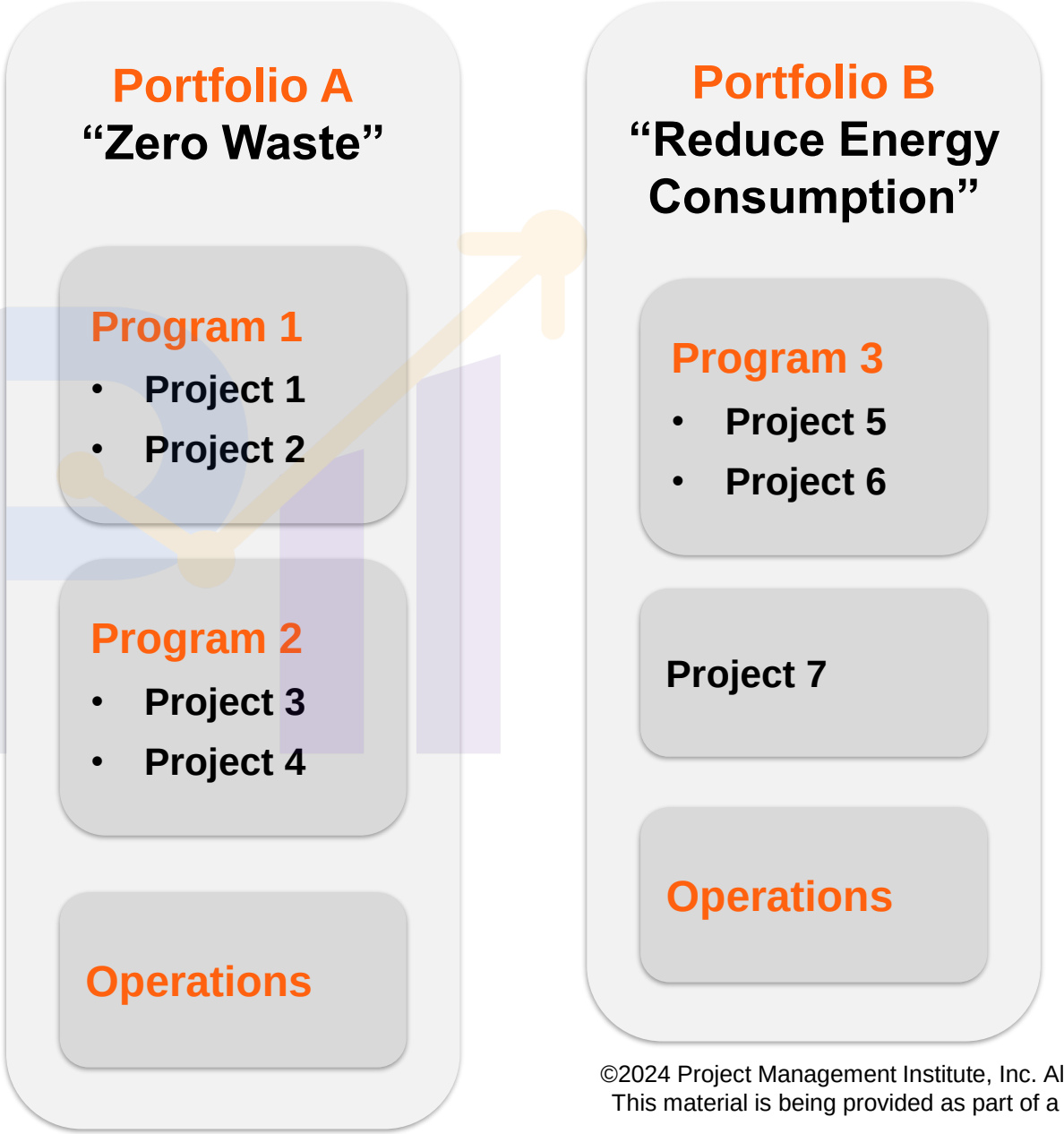
Projects, programs, subsidiary portfolios, **and operations** managed as a group to achieve **strategic objectives**

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Program and Portfolio Example

A Sustainability Initiative





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2E The Project Environment

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Organizational Culture

"… the set of shared values, beliefs, and norms that shape how people behave in an organization."



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PMI Code of Ethics and Professional Conduct

Applies to all PMI members, volunteers, certification holders and certification applicants

Source: https://www.PMI.org/codeofethics

Responsibility

We uphold all rules related to our work

Respect

We encourage and value diverse perspectives



Fairness

We should avoid even the appearance of a conflict of interest

Honesty

We ensure that the information in our work is always as accurate as possible.

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Enterprise Environmental Factors (EEFs)



Conditions, not under the immediate control of the team, that influence, constrain, or direct the project, program, or portfolio.

External

- Marketplace, regulations, socio- cultural influences
- Political climate, regional customs and traditions, public holidays
- Industry studies, publications, and benchmarking results

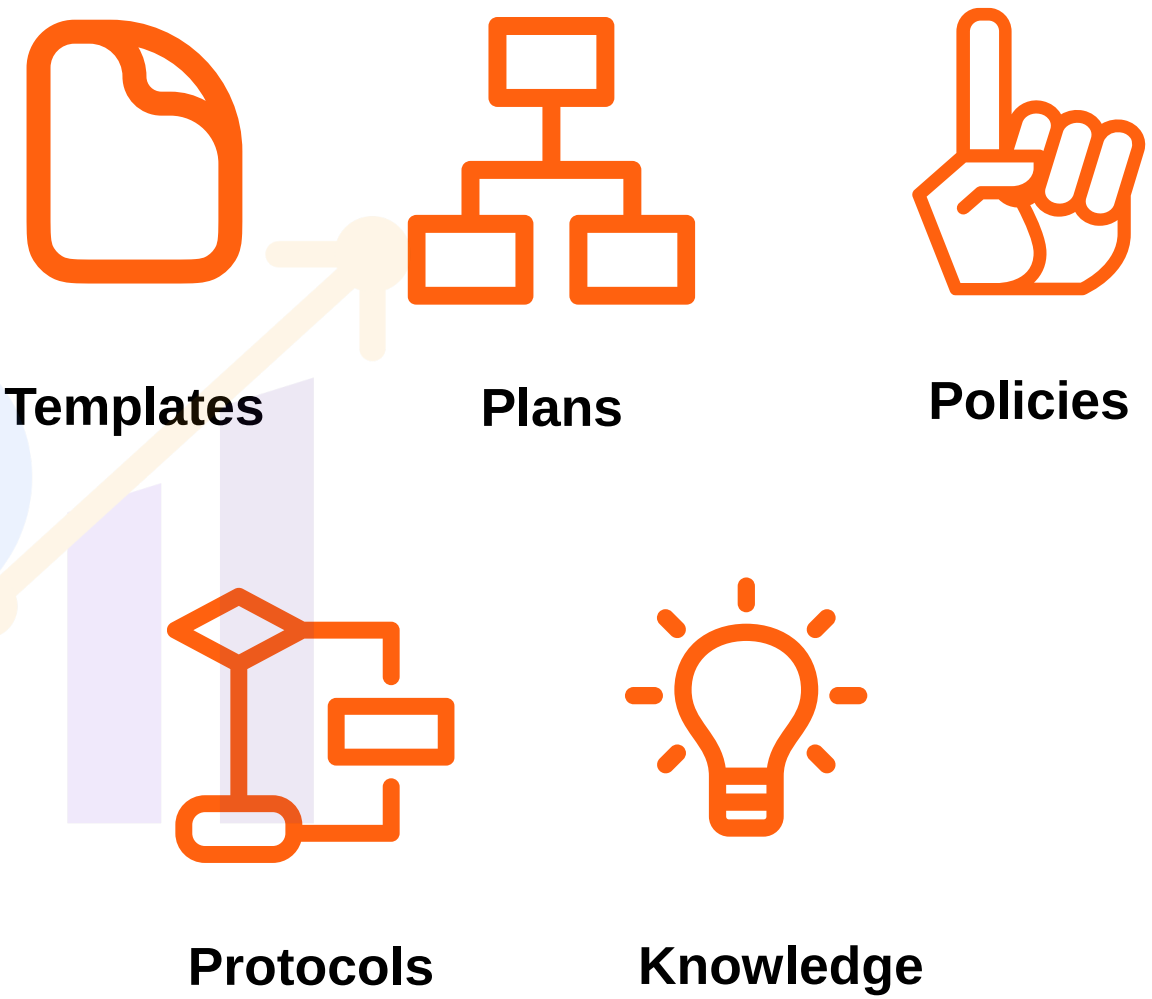
Internal

- Organizational culture and structure
- Governance policies and protocols
- People and infrastructure

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Organizational Process Assets (OPAs)

Plans, processes, policies, procedures, and knowledge bases that are specific to and used by the performing organization.



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Virtual and Colocated Teams

- Colocation fosters team cohesion
- Working remotely benefits businesses through cost savings and the ability to recruit more qualified staff



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Organizational Structures and Your Project

Be able to recommend or match characteristics of organizational structures with project scenarios

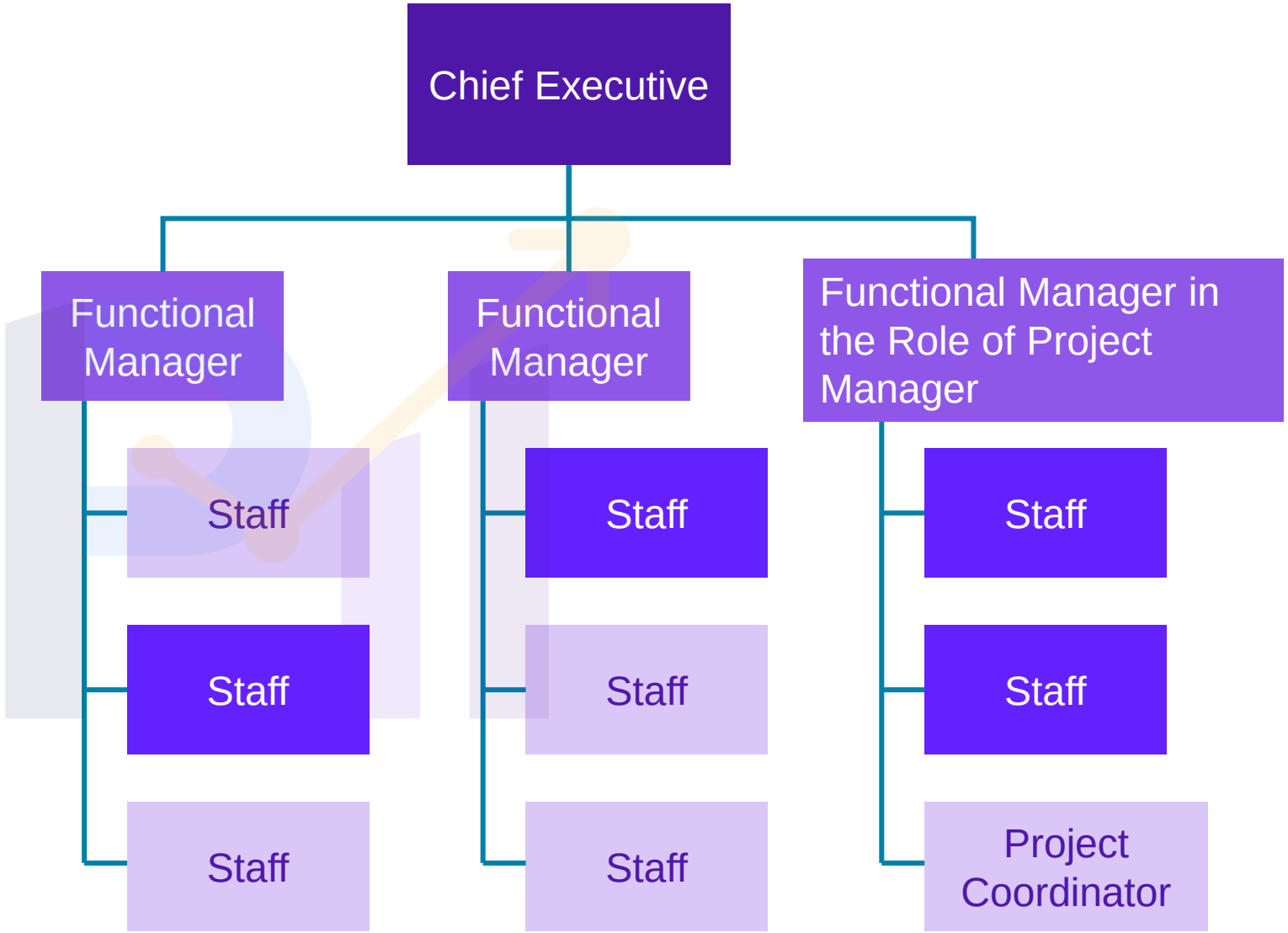


You should understand:

- The **role** of projects in the organization
- How organizational **governance** and culture affects project structures
- The **different types of structures** or conditions in which projects exist
- The **challenges** that may arise in each of those structures

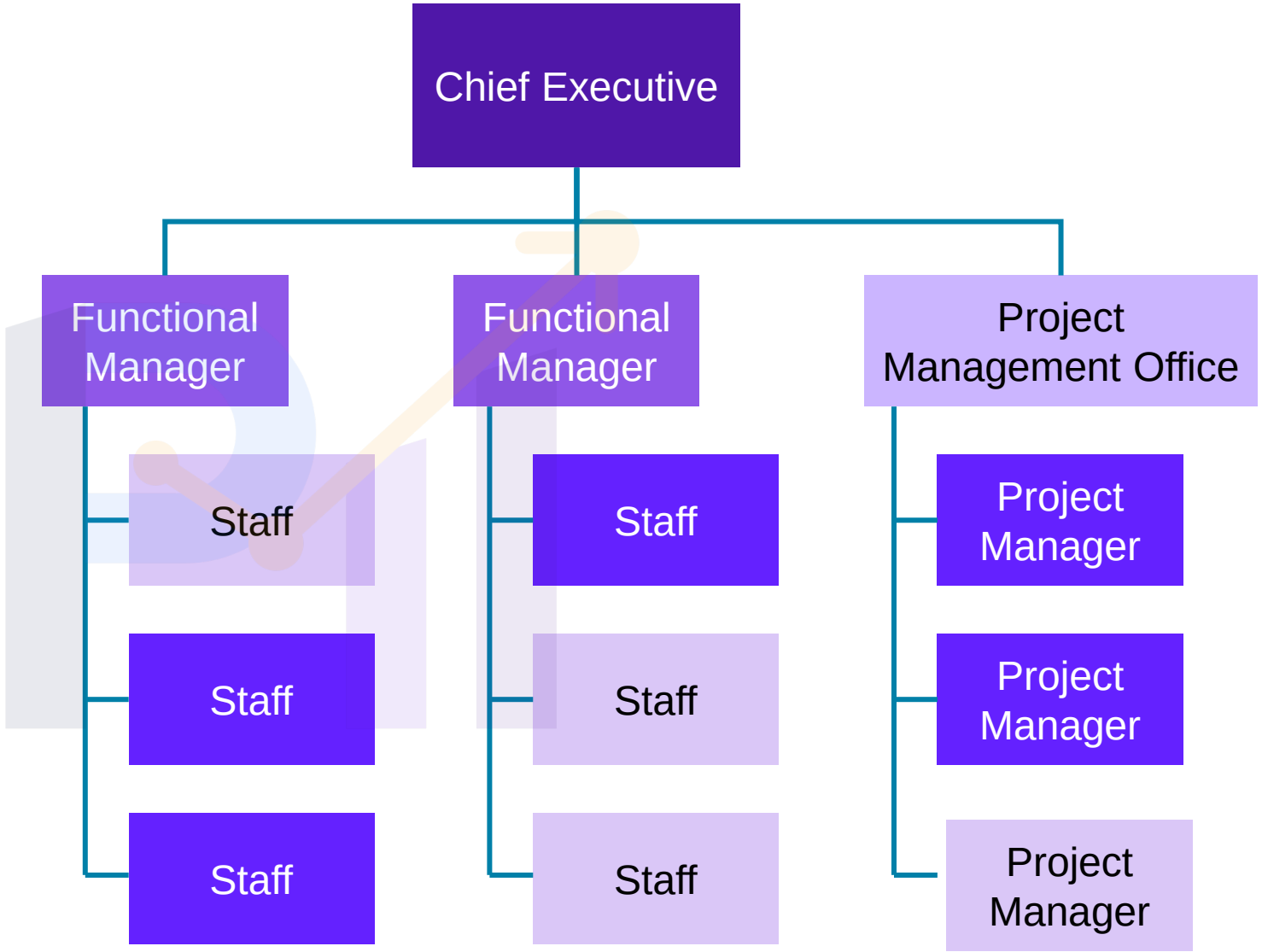
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Functional Organizational Structure



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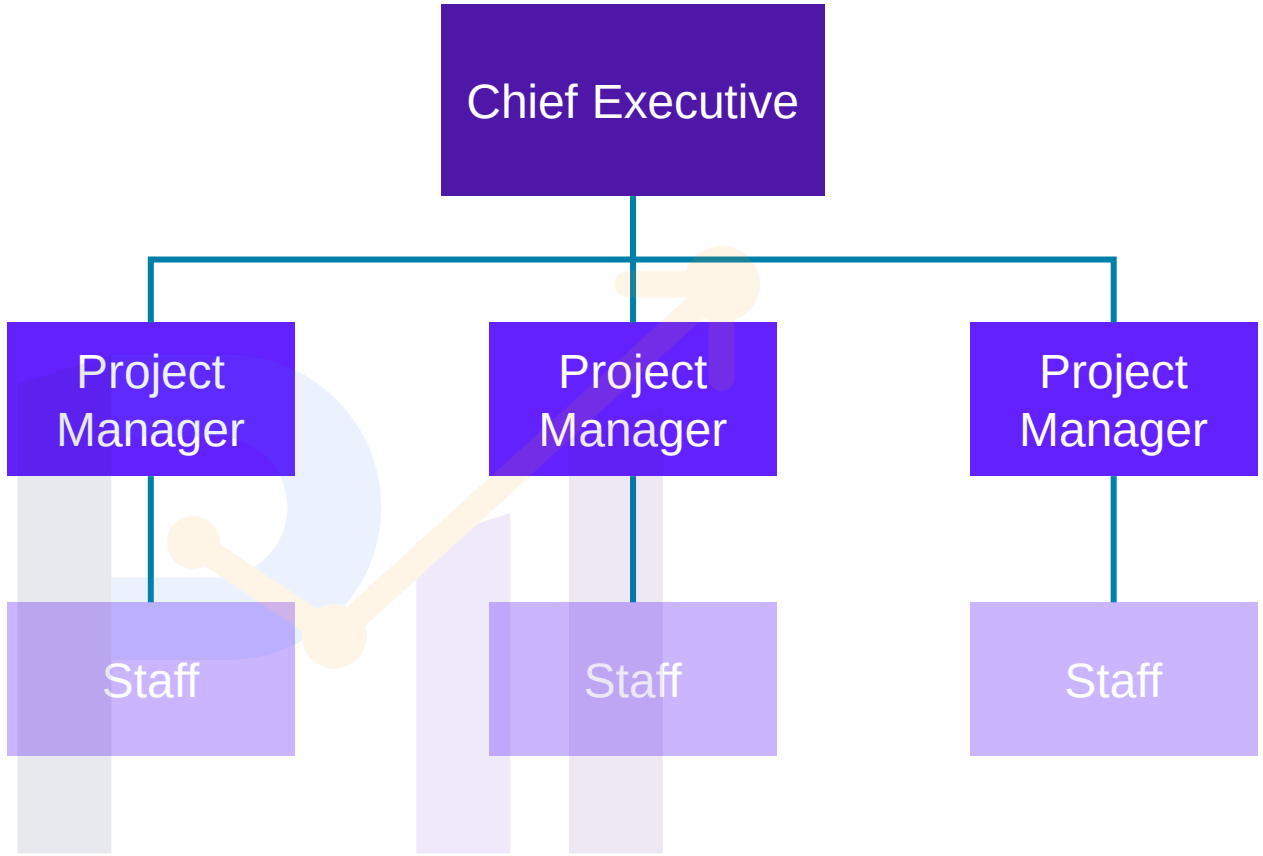
Matrix Organizational Structure



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Projectized Organizational Structure

Also known as project-oriented organizational structure



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Project Manager's Position According to Organizational Structure

	Functional Organizational Structures	MATRIX ORGANIZATIONAL STRUCTURES			Projectized Organizational Structures
		Weak Matrix	Balanced Matrix	Strong Matrix	
Authority	Little or none	Limited	Low to moderate	Moderate to high	High to almost total
Resource availability	Little or none	Limited	Low to moderate	Moderate to high	High to almost total
Budget control	Functional manager	Functional manager	Mixed	Project manager	Project manager
Role	Part time	Part time	Full time	Full time	Full time
Admin staff	Part time	Part time	Full time	Full time	Full time

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Project Management Office (PMO)

A management structure that standardizes project-related governance processes and facilitates the sharing of resources, methodologies, tools, and techniques.



- More common in larger organizations
- May provide support functions such as **training**, **standardized policies**, and **information archives**

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Steering Committee

- Consists of **executives/organizational leaders**
- Used often for **portfolio reviews**
- Provides unified authority over priorities and resources **across the organization**
- Plays a role in **developing requirements**, **resolving issues**, **approving plans and schedules**, and even **allocating resources for projects**
- May be the **change control board (CCB)**
- Reviews major **project risks**, possible **investment opportunities**

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Enterprise Environmental Factors (EEFs)

Conditions, not under the immediate control of the team, that influence, constrain, or direct the project, program, or portfolio.



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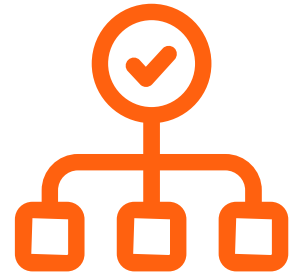


Knowledge Checks

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Question 1

The application of knowledge, skills, tools, and techniques to project activities to meet project requirements is a definition for _____.



1. Change management

2. Risk management

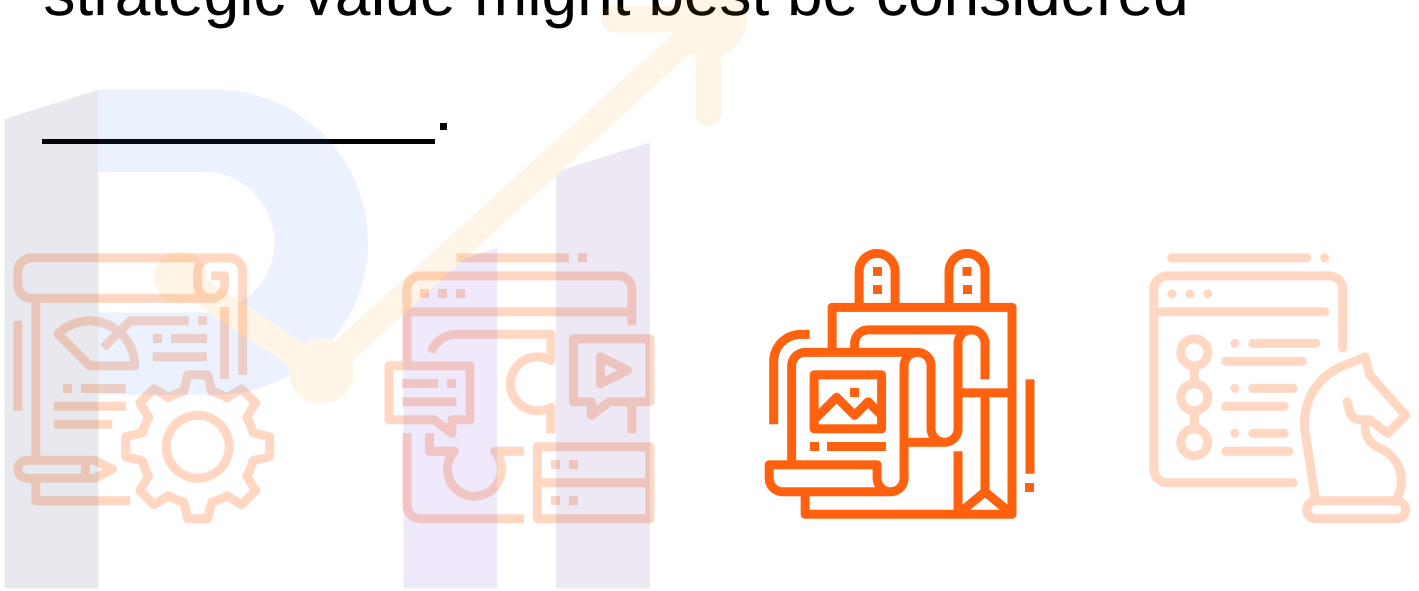
3. Project management

4. Operations management

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Question 2

Activities within an organization that work together to achieve some prioritized or strategic value might best be considered _____.

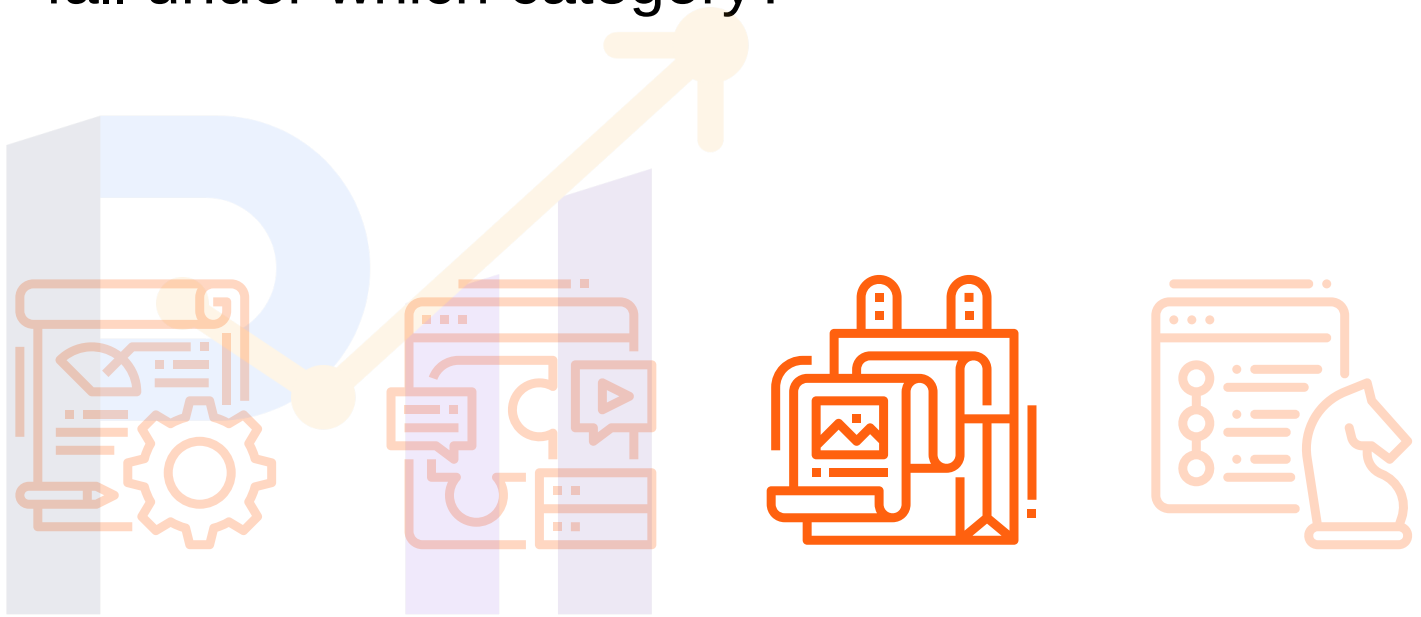


1. Project
2. Program
3. Portfolio
4. Operations

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Question 3

Historical information of past projects will fall under which category?



1. Portfolio
2. Operations
3. **Organizational Process Asset**
4. Enterprise Environmental Factor

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Wrapping Up

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Summary

2A	What Is a Project?
2B	Project Management Challenges
2C	Project or Operational Work?
2D	Programs and Portfolios
2E	The Project Environment



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Up Next:

Organizing for Project Performance

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