LESSON 6

Starting a Project

Understanding the Activities Associated With Starting a Project

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In This Session:

6A Understanding the Business Case

6B Creating a Project Charter

6C Establishing Communications

6D Selecting and Tailoring the Project Approach

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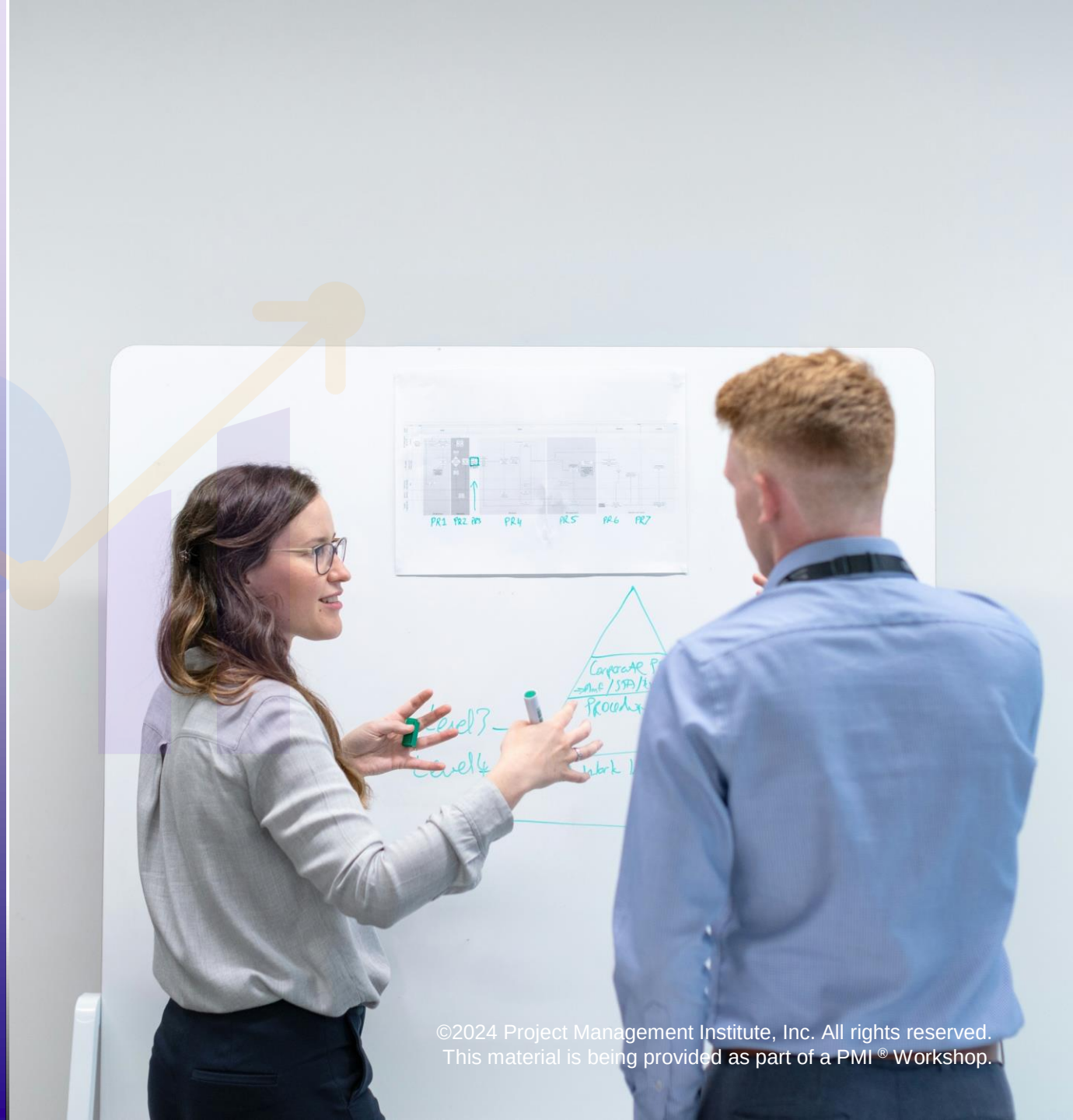
6A Understanding the Business Case

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What Is a Business Case?

A value proposition for a proposed project that may include financial and nonfinancial benefits.

Can you describe this in your own words?



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Components of a Business Case

- Description of the problem or opportunity—**situation statement**
- Situation analysis—e.g., **root-cause, needs assessment**
- Recommendation
- Cost-benefit information—e.g., **cost-benefit analysis**
- Evaluation

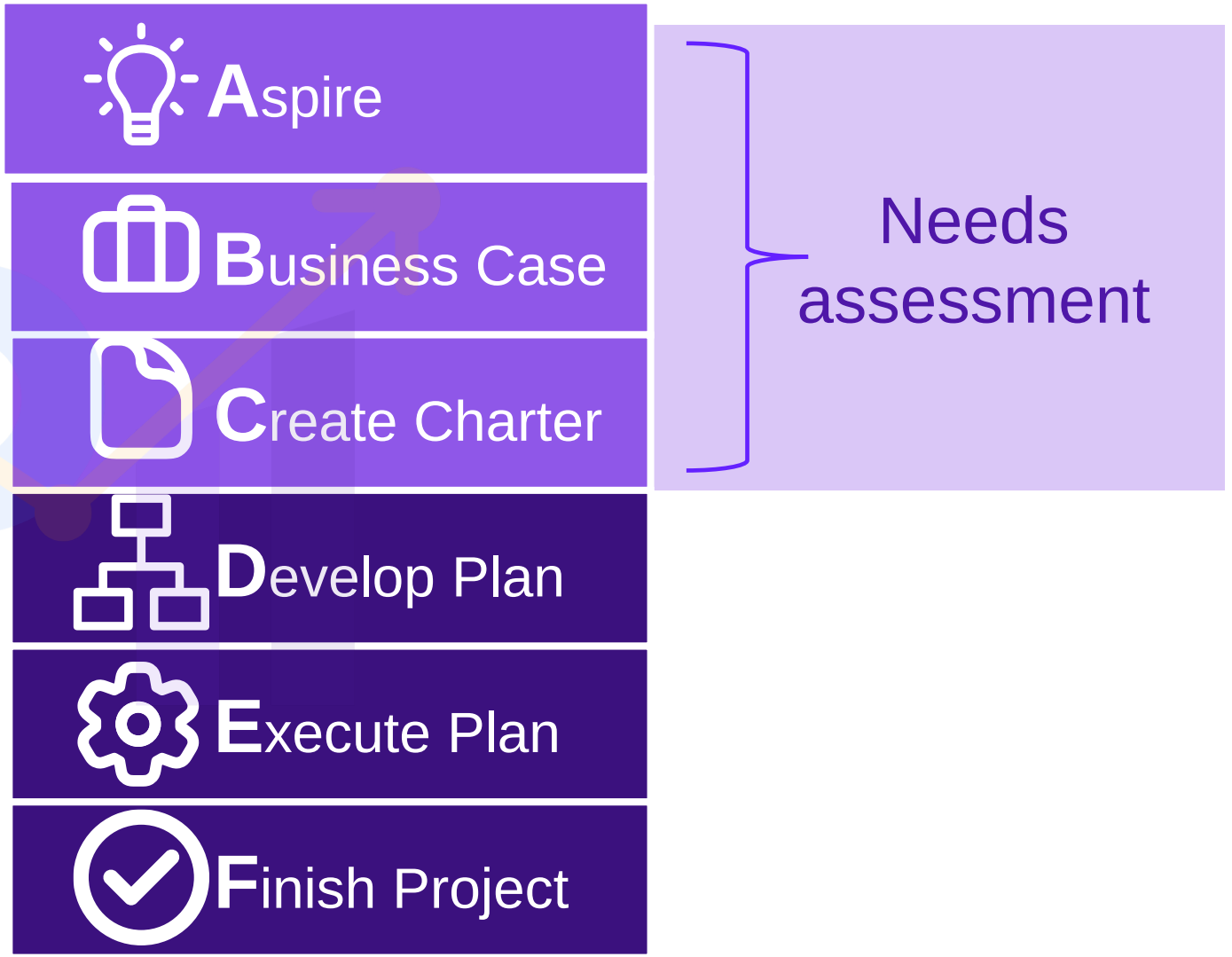


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Needs Assessments

A needs assessment involves analyzing current business problems or opportunities to understand what is necessary to achieve the desired future state

A needs assessment often precedes the business case, and the results of the needs assessment may be summarized in the business case document.



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Needs Assessment

Business Analysis Planning



Needs Assessment

Requirements

Traceability &

Solution

Why is the **change needed**?

Is the proposed solution a **good use of organizational resources**?

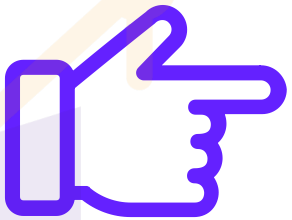
What **value** will the business receive?

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Why Perform a Needs Assessment?



Requested by a business stakeholder



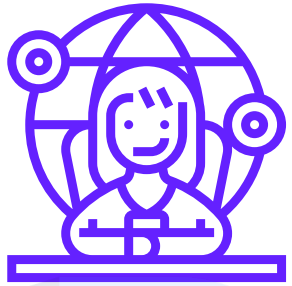
Mandated by internal methodology



Recommended by a business analyst

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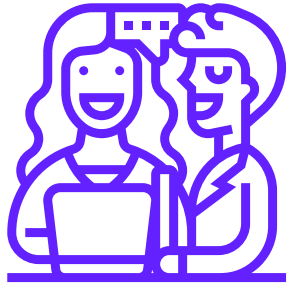
Who Is Interviewed or Consulted in a Needs Assessment?



Project sponsor



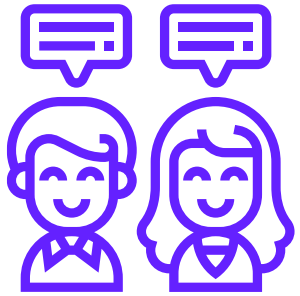
Product owner



Subject matter experts



End users



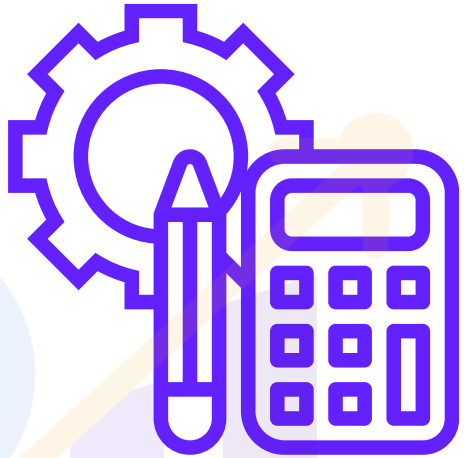
Solution or development team

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Cost-Benefit Analysis

Definition and Benefits

A financial analysis tool used to ***compare the benefits*** *provided by a portfolio component, program, or project* ***against its costs*****.**



The results of the cost-benefit analysis are included in the **business case** to demonstrate why the solution option selected and proposed is considered the **most viable choice**.

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Cost-Benefit Analysis Techniques



Valuation techniques are used to quantify the **return** or **value** that an option will provide. Some of the most common include calculating the following:

- **Payback period**—the time needed to recover an investment
- **Return on investment (ROI)**—the percentage return on an initial investment.
- **Net present value (NPV)**—provides insight into whether an investment will provide value
- **Internal rate of return (IRR)**—an estimation of an investment's projected annual yield that incorporates initial and ongoing costs.

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Assembling the Business Case

Synthesize well-researched and analyzed information to support the selection of components to address the business goals and objectives.



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6B Creating a Project Charter

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What Is a Project Charter?



*A document issued by the project initiator or sponsor that **formally authorizes the existence of a project** and provides the project manager with the authority to apply organizational resources to project activities.*

1-3-page high-level **summary c**reated during the **Identify Stakeholders** and **Develop Project Charter** processes

1. Consider **business case** and any existing **agreements**—e.g. contracts with vendors
2. Apply business analyst and project management skills—**expert judgment, data gathering, interpersonal skills**
3. Create a draft of the **project charter**
4. Seek approval from **key stakeholders** and the **project sponsor**

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Project Charter Template

Project Title	
Introduction	
Problem Statement	
Scope Outline	
Definition of Success	
Risk Summary	
Constraints and Assumptions	
Business Case	
Schedule	
Deliverables Schedule	
Budget	
Team Structure	
Organizational Structure	
Project Approach	
Steering Committee Decision	

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6C Establishing Communications

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Communication Objectives

- **Communicate effectively** with team and stakeholders
- **Engage stakeholders** to elicit requirements and support the project
- **Establish collaborative working** to optimize requirements gathering and project work



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Communicate the Project Charter

- Seek agreement—and buy-in—from stakeholders
- Can be formal or informal
- Facilitated by the business analyst



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Communicate About the Start of the Project

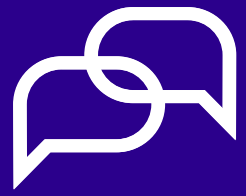
Hold a kickoff meeting! - *Gather project team members and other key stakeholders at the outset of a project to formally set expectations, gain a common understanding, and commence work.*



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Communication Methods
Overview

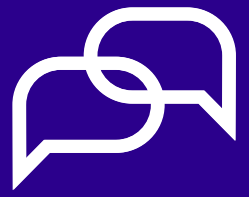
- **How do you use the listed communication methods at work?** *Describe the conditions of use or how you decide.*
- **Do you have experience using the wrong communication method for a situation?** What happened?



Method	Use cases and examples
Formal written	• Project charter • Project plans • Project reports • Contracts
Formal verbal	• Presentations • Updates • Briefings
Informal written	• Memos • Emails • Notes
Informal verbal	• Casual conversations

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Guidelines for Effective Communication





Analyze communication needs of all stakeholders



Determine communication methods, channels, frequency, and level of detail for all stakeholders



Communicate project information and updates effectively



Confirm that communication is understood and feedback is received

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Processes Associated with Project Communication Management

Plan Communications Management	Manage Communications	Monitor Communications
• Develop communications management plan • Consider storage, retrieval, distribution needs	• Ensure project information is collected, created, distributed, stored, received, managed, monitored, and disposed of • Update project management plan, documents, and artifacts	• Ensure stakeholders receive the information they need

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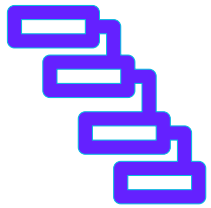
Putting Together a Communications Management Plan

- **What** is being communicated?
- **Why** is it being communicated?
- **To whom** is it being communicated?
- **How** is it being communicated?
- **When** is it being communicated?



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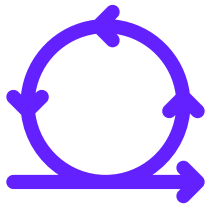
Meetings and Events in Projects



- Planning meeting
- Change control board
- Lessons learned meeting
- Project closeout
- Project review
- Status meeting

Any Life Cycle

- Kickoff
- Risk review
- Bidder conference
- Steering committee



- Release planning
- Backlog refinement
- Daily standup/ scrum/ coordination
- Iteration planning
- Iteration review (demo)
- Retrospective

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Critical Communication Skills

Highlighted words are in the course glossary



Listen actively



Ask questions, probe situations



Set and manage expectations



Motivate to perform an action or provide encouragement or reassurance



Coach team members and stakeholders



Negotiation between team members and stakeholders



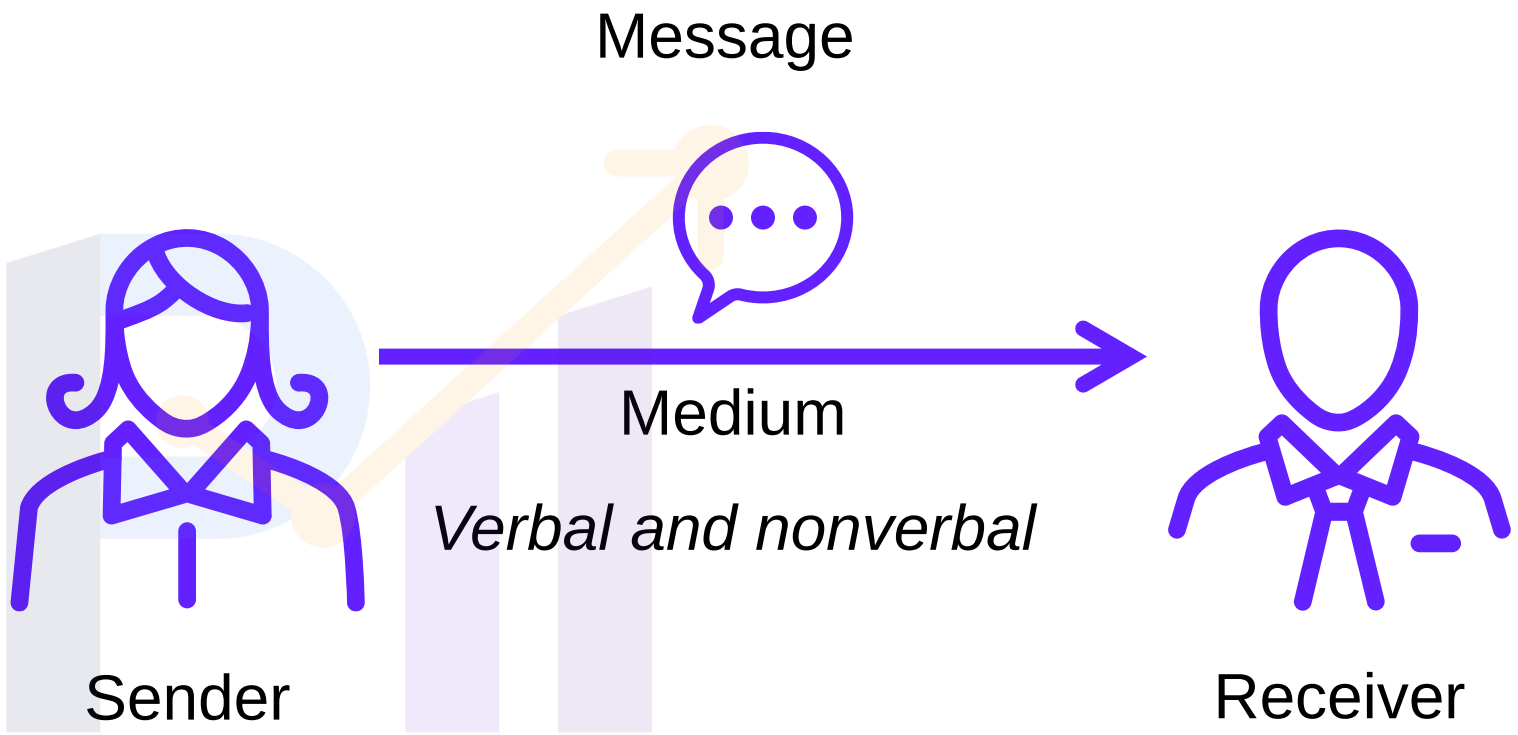
Resolve conflicts



Summarize, recap, identify next steps

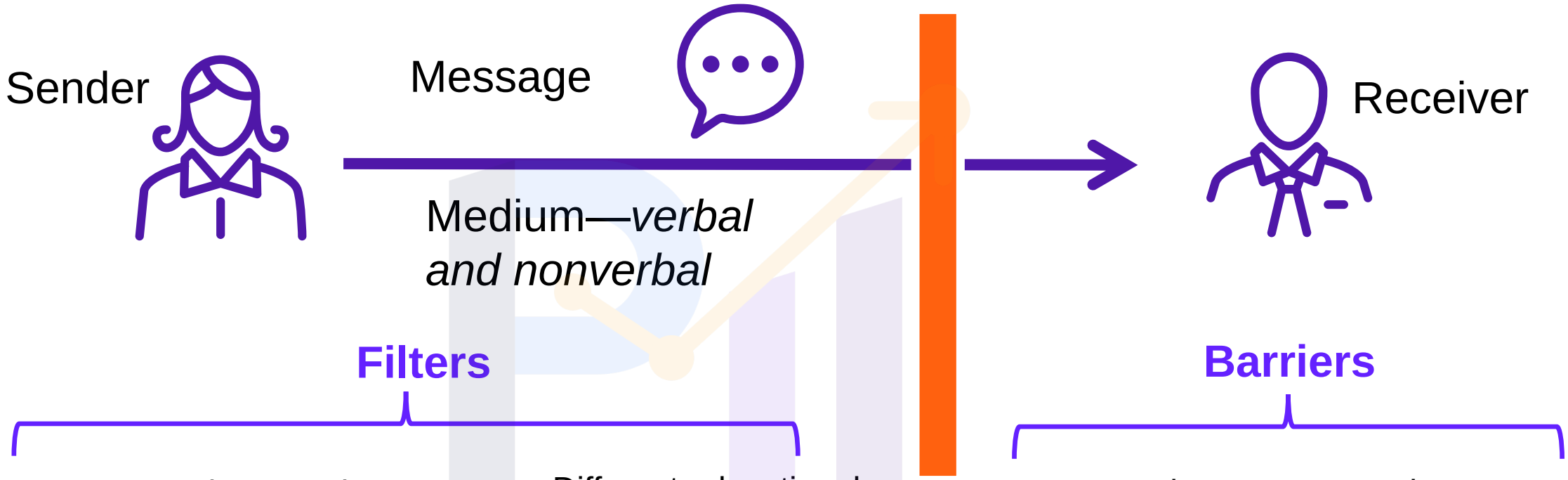
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Communication Model



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Communication Blockers: Filters and Barriers



Filters

- Language, culture, and terminology differences
- Psychological and sociological differences
- Dysfunctional emotional behaviors
- Different educational backgrounds
- Traditions (the way it has always been done)
- Talking past each other

Barriers

- Poor internet connection
- A resistant mindset
- Accepting misinformation as fact
- Interpersonal conflict

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6D Selecting and Tailoring the Project Approach

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Select and Tailor

- Understand **product**, **project**, and **organizational** contexts—e.g., needs and constraints to select which approach(es) to use
- Every project approach is tailored



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Key Questions

- Are the requirements **complex, uncertain,** or **unlikely** to change?
- Do you need **early and/or frequent feedback** from customers?
- Is the organization receptive to the **flexibility** and **risk tolerance** necessary?



Approach Selection: Product/Service/Result-based Criteria

Attribute	Adaptive Approach	Predictive Approach
How much innovation is required?	Deliverables and/or methods require innovation	Innovation can be incremental because scope is known
Are requirements certain?	No	Yes
Is scope stable?	Not likely	Yes; major changes are unlikely
What is our attitude toward change?	Deliverables can be adapted easily	Incorporating change in later stages will be difficult
What are delivery options?	Multiple are possible	Single delivery at the end
What are the impacts of risk?	Modular design and development can mitigate high risks	Known high risks require significant initial planning
Any safety requirements?	If so, we need to know them up front	We can plan for them in detail
What about regulations?	Situations demanding regulatory compliance will be difficult	We can plan for them in detail

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Approach Selection: Project-based Criteria

Attribute	Adaptive Approach	Predictive Approach
Stakeholders	Stakeholders—e.g. product owner—are active in project execution	Some key stakeholders are not directly involved in the project execution
Schedule constraints	Short-term, partial iterative deliveries are requested	The schedule is based on fixed milestones that do not allow for flexibility
Funding availability	Flexible funding is possible	Funding is based on fixed budgeting, as with government contracts

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Approach Selection: Organizational-based Criteria

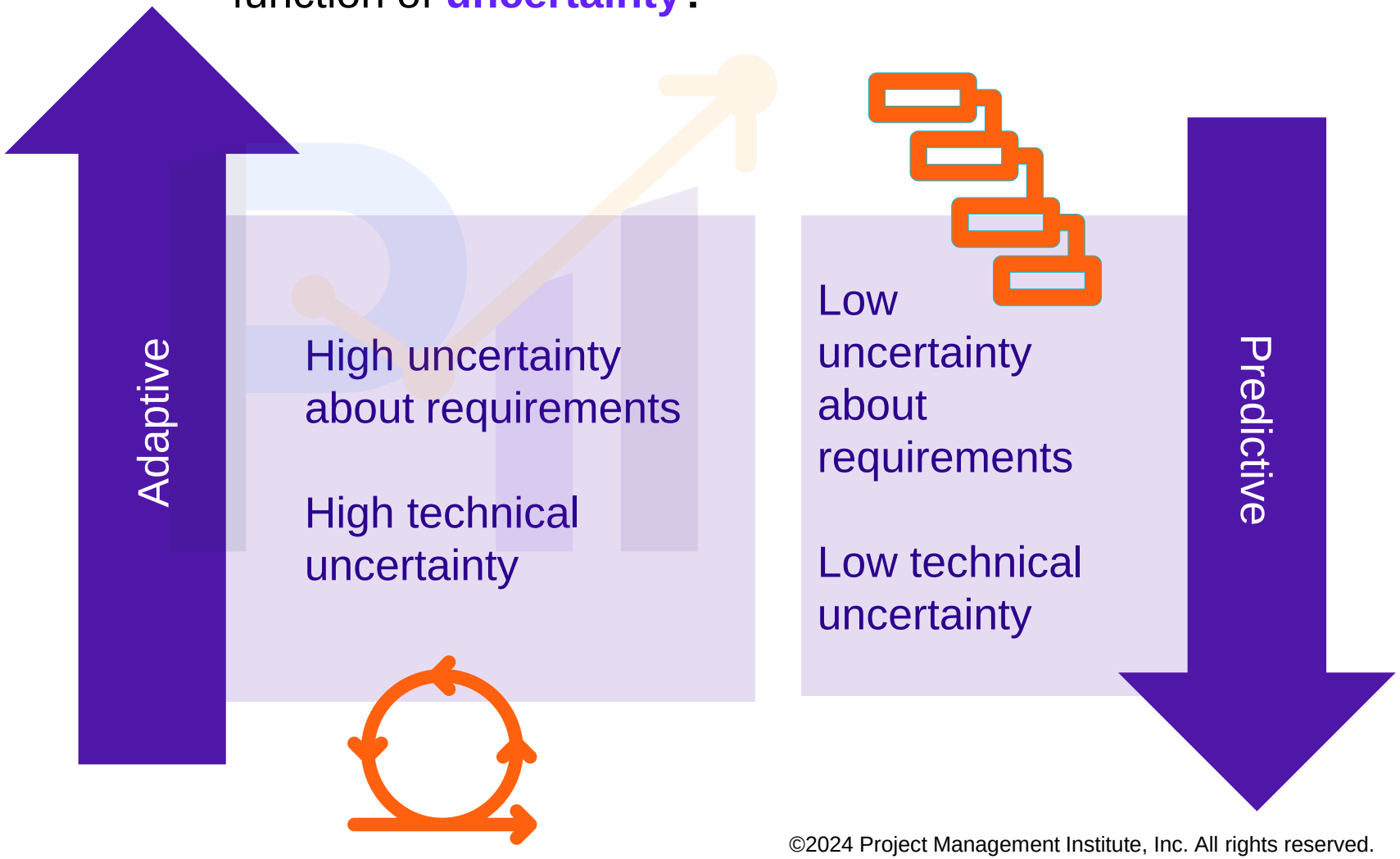
Attribute	Adaptive Approach	Predictive Approach
Organizational structure	Organizational structures—like flat hierarchies—can be adapted to the specific situation when organizing adaptive projects.	A rigid organizational structure with established bureaucratic processes to organize projects is in place.
Culture	The organizational culture context for organizing projects is an “adhocracy” culture.	The organizational culture context for organizing projects is a hierarchical culture.
Organizational capacity	Senior management supports an adaptive mindset, and the organizational context can be changed to support adaptive methodologies.	The organizational context of the project—including policies, regulations, ways of working, and so on—is defined and can’t be adapted to a specific project.
Project team size and location	• Teams are committed to the project full time and are small—can be limited to seven, plus or minus two. • Team members are colocated or equipped with modern real-time collaboration tools.	• Many team members, such as specific task experts, are shared between projects. • Some teams or individual members are not in the same location. • Virtual team support is needed.

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Dealing with Uncertainty

"Technical uncertainty" refers to how we are going use a given technology, including our capability, any limitations of technology, and resulting complexity.

What happens when we view the selection as a function of **uncertainty?**

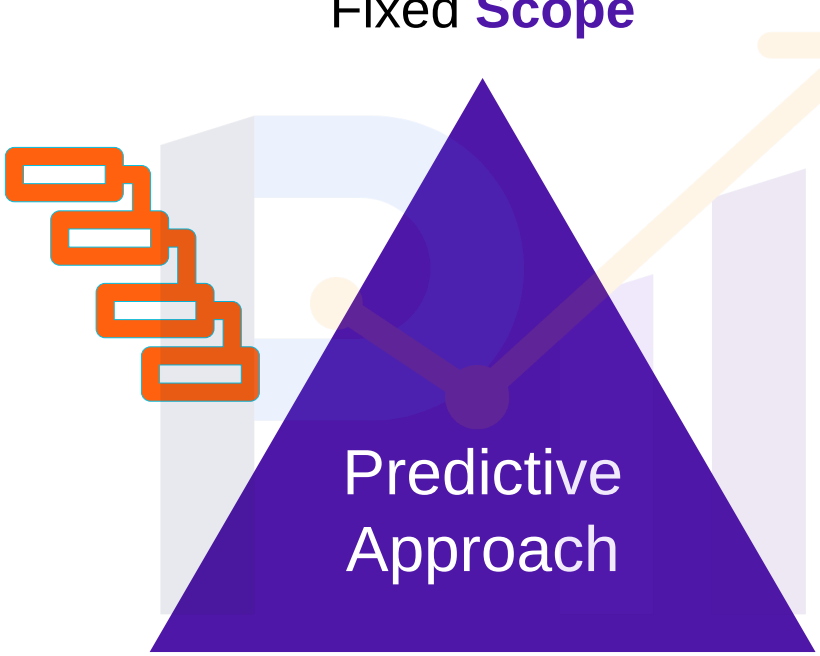


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The Role of Constraints and Variables in Selecting a Project Approach



Fixed **Scope**

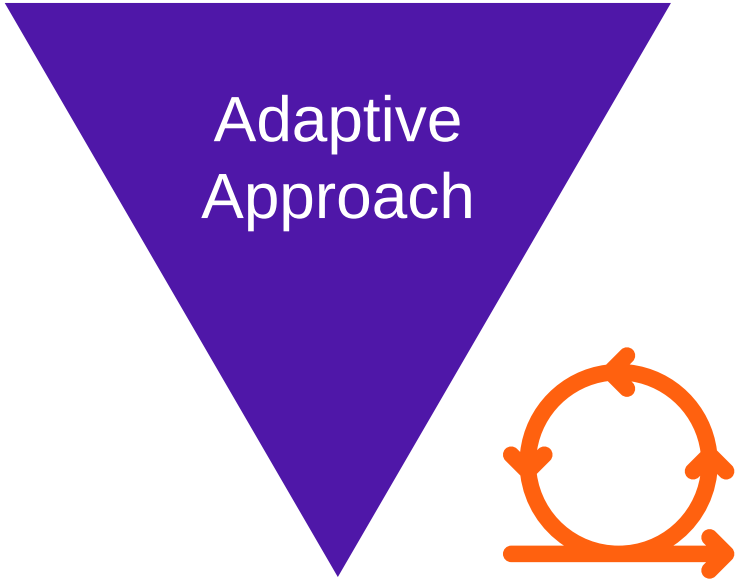


Variable **Project Time**

and **Resources**

Fixed **Project Time**

and **Resources**

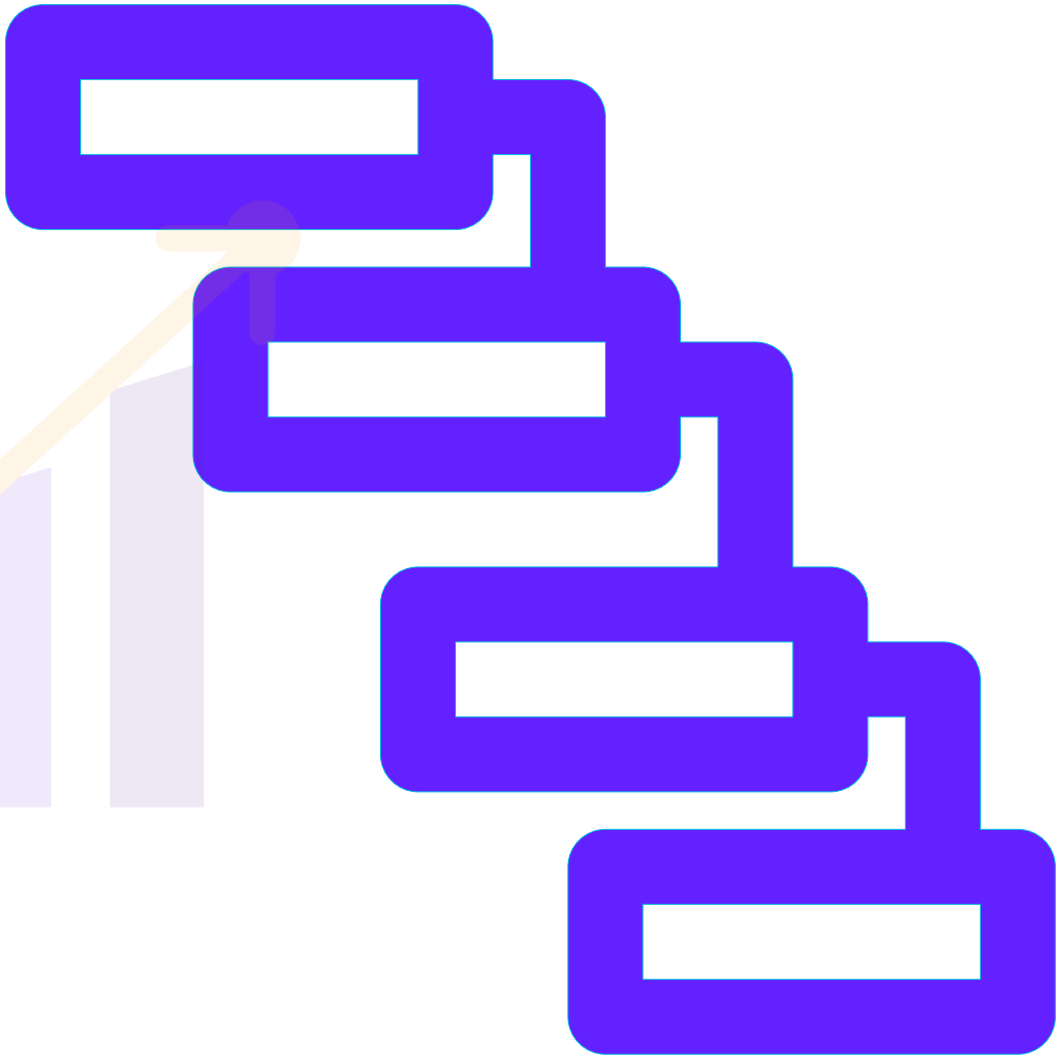


Variable **Scope**

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Why Choose a Predictive, Plan-Based Approach?

- Tried and tested framework
- Controls on timeline, budget, risk, change, quality



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Why Choose an Adaptive Approach?

- Experimentation and innovation
- Frequent customer feedback required to develop scope



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Selection Exercise

Adaptive or Predictive?

A 10-year-old construction company is building 25 new single-family homes in a new subdivision.



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Selection Exercise

Adaptive or Predictive?

A medical equipment manufacturing company wants to use artificial intelligence for the first time to perform quality testing.



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Knowledge Checks

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Two of These Things Don’t Belong



A Project Charter Contains These Elements

Risk Log	Scope Outline	Definition of Success
Team Structure	Identify Stakeholders	Project Activities

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Question 1

Which technique tells the time needed to recover an investment; the longer this period is, the greater the risk will be?



1. Payback Period



2. Net Present Value

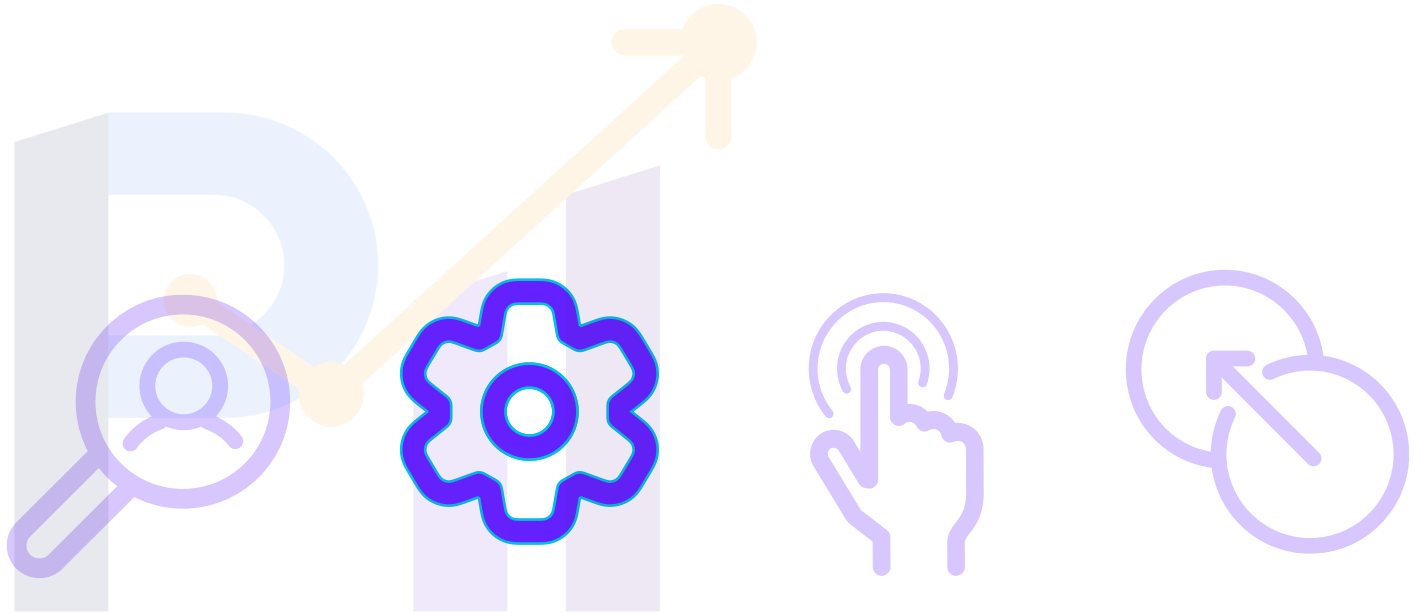
3. Return on Investment

4. Internal Rate of Return

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Question 2

Which of the following is a communication barrier?

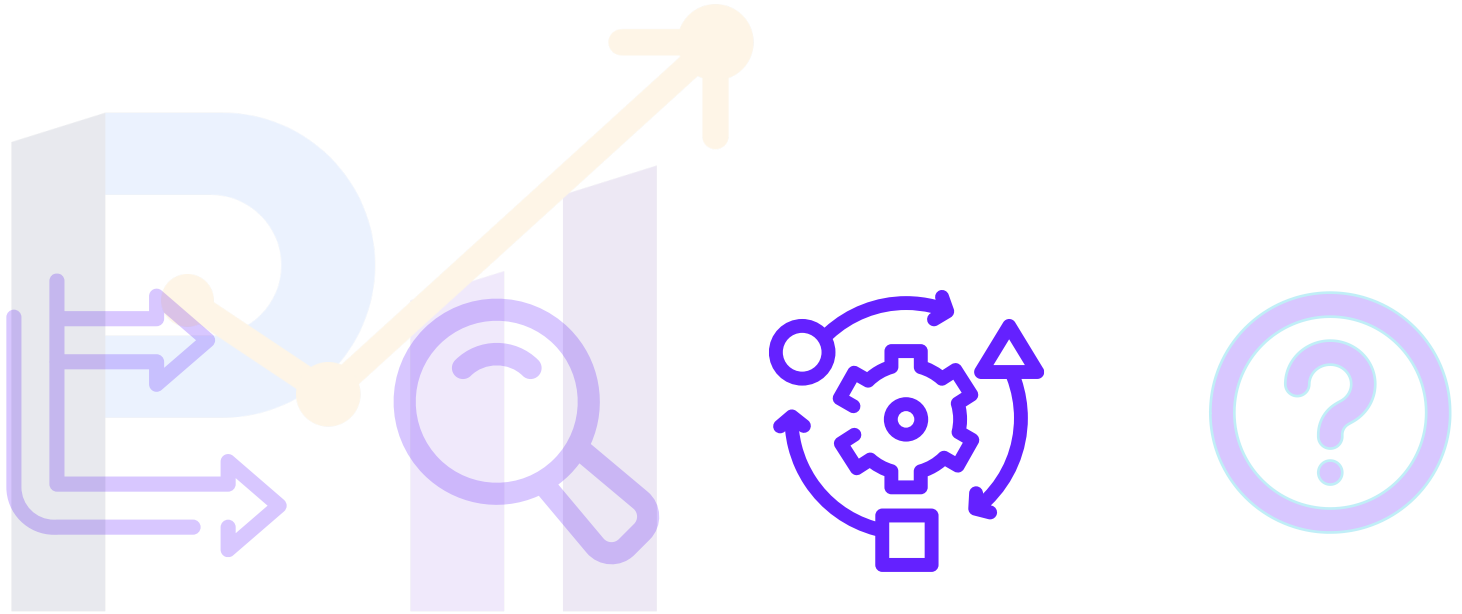


1. Different educational backgrounds
2. **Poor internet connection**
3. Talking past each other
4. Difference in language

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Question 3

Which one of the following is a key requirement for effective communications?



1. Passive listening
2. Staring in the eyes
3. **Feedback**
4. Asking questions before the sender has finished

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Wrapping Up

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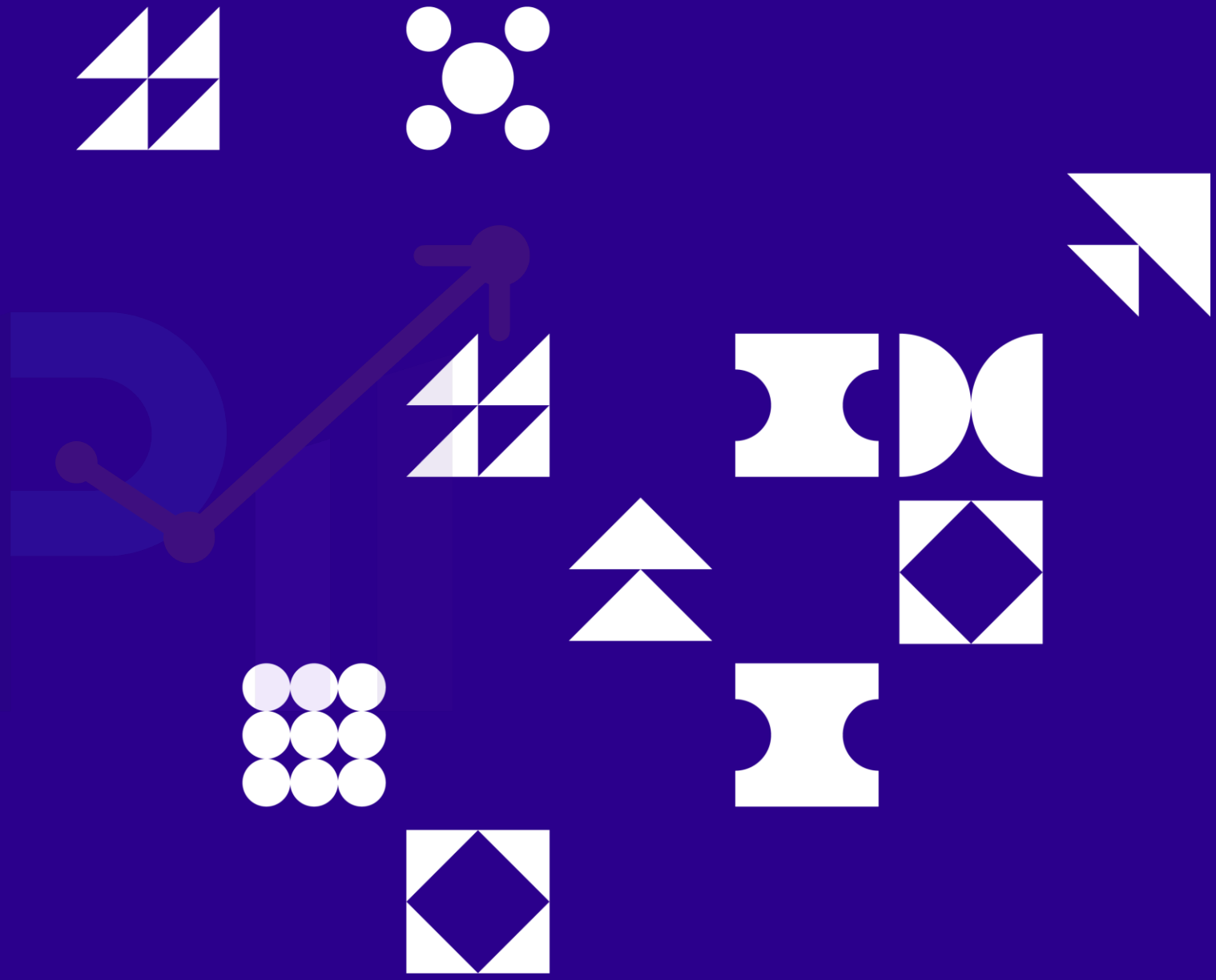
Summary

6A	Understanding the Business Case
6B	Creating a Project Charter
6C	Establishing Communications
6D	Selecting and Tailoring the Project Approach



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Up Next:
Predictive Methodologies



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