The Project Management Processes

PROJECT MANAGEMENT FOR DEVELOPMENT ORGANIZATIONS

PM4DEV®

PROJECT MANAGEMENT FOR DEVELOPMENT ORGANIZATIONS

A methodology to manage development projects for international humanitarian assistance and relief organizations

PROJECT MANAGEMENT PROCESSES

Project management is a process of leading a team of capable people in planning and implementing a series of related activities that need to be accomplished on a specific date with a limited budget. Because of its nature, coordinating all these activities requires a process approach.

Because many times development project take on unexplored territory, assumptions about the project must be listed, evaluated, its risks assessed and contingency plans developed. It also requires a close monitoring of the budget, scope and schedule to deliver the project objectives under the expected quality. Each one of these elements needs to be managed in a systematic manner with the development of plans to identify the roles and resources needed.

There is also the complexity of development projects that require a different approach and a new way at managing the limited resources and the increasing demands from all stakeholders. To manage this complexity the project needs to be de-constructed into manageable, interrelated parts; or processes, by separating the project into different management process the project manager has a better chance to control the outcomes of the project and manage the challenges that can never be fully predicted during its design.

Managing a project requires that organizations take in consideration a system approach to manage the different elements of a project. A systems approach includes a holistic view of a project environment, and an understanding that the project is made of a series of interacting components working to meet an objective in order to obtain the desired benefits.

A systems approach requires the identification of the processes that make up the entire project management framework. This framework helps understand the basic structure required to properly manage a project, by identifying the most important elements that need close supervision and careful analysis.

The Project Management Processes

There are nine management processes on a development project. These are designed to help manage the different elements of a project, different projects may have different needs from each process; for example, a project that has identified that cost is a critical success factor will spend more time and effort in developing a cost management plan. These processes are the key knowledge areas or a project manager must master.

One of the most critical roles of the project manager is the integration of these nine processes to ensure they all are properly coordinated. In many cases it could result in making trade-offs among the different competing expectations from stakeholders. These nine processes are all integrative, that is, they need to be managed in a combining and coordinating manner to bring these diverse elements into a whole. The nine management processes occur during the entire project life cycle and each one of them requires a cyclical approach that consists of planning, doing, checking and learning to ensure process quality.

The effort and detail required for each process depends entirely on the size, complexity and risk of the project. Large, highly complex projects will require specialized resources to manage each process making the role of the project manager as the coordination of these processes. Smaller less complex projects may not even need all nine processes, the project manager after making an analysis of the project risks and constraints will decide which processes require more effort than others

The nine project management processes are:

1. Scope Management
2. Schedule Management
3. Budget Management
4. Quality Management
5. Team Management
6. Stakeholder Management
7. Information Management
8. Risk management
9. Contract Management

The Project Management Processes

In this book we have divided these processes into two groups:

– Enabling processes
– Facilitating processes

The project management processes interrelated wi th the project management phases during the entire project management cycle. The graphic below shows the relationship between the project phases and the project management processes:
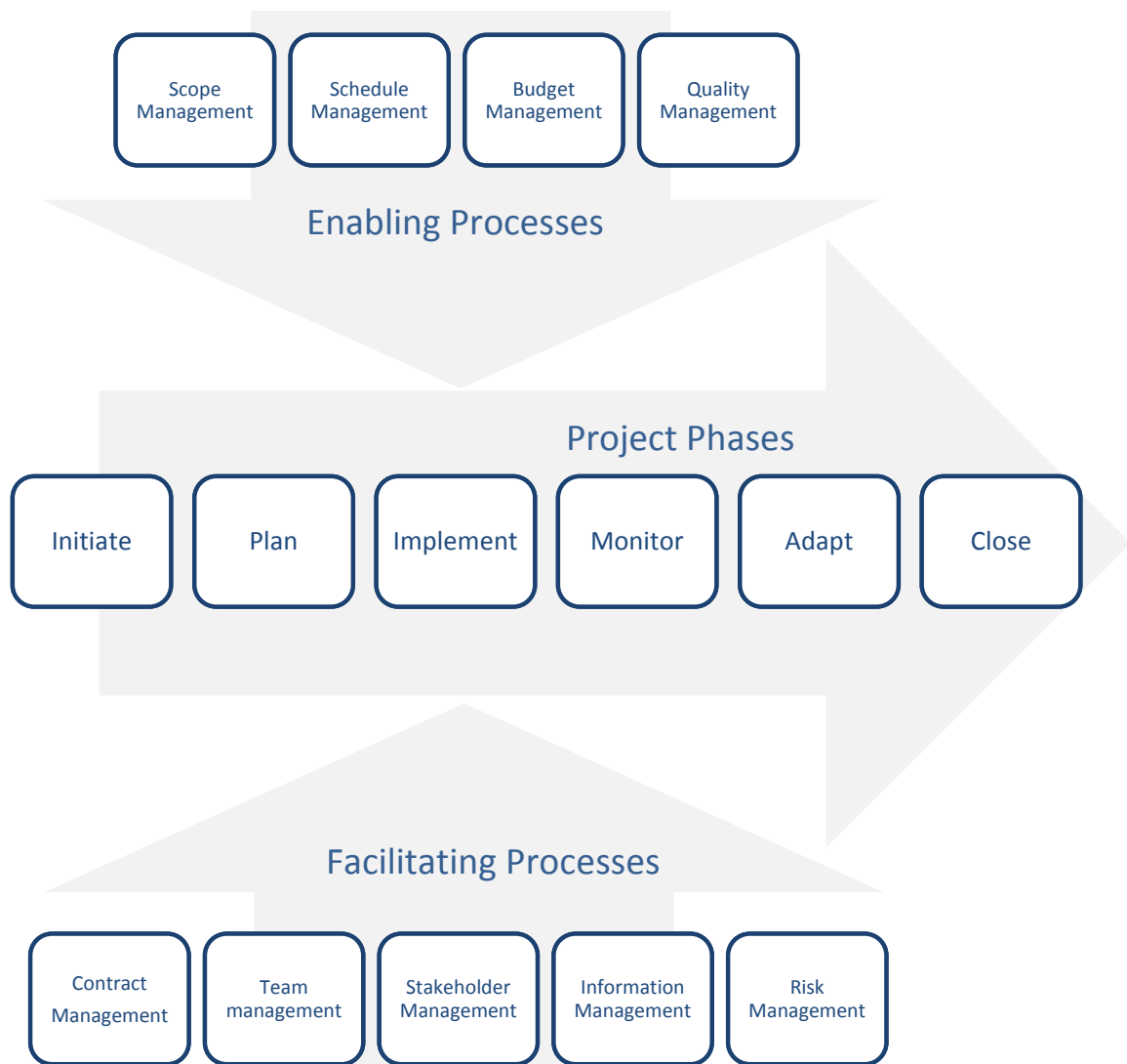
Enabling Processes

| Scope Management | Schedule Management | Budget Management | Quality Management |

Project Phases

| Initiate | Plan | Implement | Monitor | Adapt | Close |

Facilitating Processes

| Contract Management | Team management | Stakeholder Management | Information Management | Risk Management |

Figure 4.1 Project Management Processes and Phases

Depending on the scope, large, comp lex projects will require a more rigorous application of project management processes than small, non-complex projects. The Project Manager assesses the proje ct

characteristics to determine how to customize the pro cesses for a specific project an d determine which project management processes will be required. The effort to custom ize the project is reflected in the Project Management Plan.

Project Management Processes are over lapping activities that occur at varying levels of i ntensity throughout each phase of the project. A process is defined as a set of acti vities that must be performed to achieve a goal, in this case the project goal.

Enabling Processes

Enabling processes include scope, sch edule, budget and quality. T hey are enabling because they lead to specific objectives of the project and are the basis to d efine a project su ccess; on time, under budget , as requested by the donor and by the quality needed by the beneficiaries.

Scope Management

Includes the processes involved in defining and controlling what is or is not included in the project; re quired to complete the pr oject successfully. Scope is the way to describe the boundaries of the project. It defines what the projec t will deliver and what it will not deliver. This process ensures that the project has identified the goals and objectives an d those have b een documented and that each objective has a well-defined set of indicators to monitor their progress.

During this process a scop e management plan is created to help manage any changes to the projects. This is a critical process and one that will help the project manager deal with scope creep, which is when a project includes additional work after a project has started without considering the impact on the resources or schedule of the project. Request for additional work may come from many of the stakeholders the problem arises when the project manager decides to the additional work without a corresp onding increase in the time or budget, this is one of the leadin g causes for project failures. To manage scope creep the project needs to establish a scope change control plan that will facilitate how, when and why any changes to th e scope are made. The steps include an assessment, impact to the budget and/or schedule the correspo nding authorization, incorporation

of changes to the project plans an d implementation of the approved change of scope. It is a good practice for the project to define wha t is not included in the project, by defining what is out of scope the project stakeholders can have a better understanding of the p roject boundaries.

During the scope management proc ess the project manager develops a Work Breakdown Structure (WBS) which is a management technique of breaking the project down into a hierarc hy of work tas ks which represent the work to be done. This s chedule then is used as an input to define the time and budget of the project.

Schedule Management

This process includes the actions required to ensure the timely completion of the project. Schedu le management is the develop ment of a project schedule that contains all project activitie s, the pr oject schedule is a communication tool that informs project stakeholders the status of the project and gives th e project team information in the form of g raphs and charts, as to when each activity must begin and end.

The first step in schedule management is estimating the time each one of the activities identified in the WBS would take to be completed, the relationships among the activities and the sequence they should start. A network diagram is a to ol used to graphically displ ay the activity sequence and dependencies . The project schedule is also used to assign project staff with their task s. Monitoring t he schedule i s an ongoing task, as each activity is performed the project manager must review the progress made against the schedule baseline and determine what schedule variance have occurred, the schedule management plan should include instructions on how to proceed when schedule variances occur.

Another element of schedule manageme nt is the procedure to control schedule changes and define who can authorize changes to the schedule. It is not uncommon that at the moment of planni ng the project some oversight occurred that did not plan for situations w hen the beneficiaries are involved in ot her events, such as festivitie s or

social events; this can also includ e unpredictable events such as the weather or political events that can disrupt any project schedule.

Schedule reporting includes tech niques to compare the project baseline with the actual dates and us es variance analysis to determine project progress, i f the project is behind schedule then the project must determine the best options to bring the project back to schedule using methods such as making trad e-offs to compress the schedule or fast tracking which involves doing more activities in parallel.

Budget Management

Budget management processes are requ ired to ensure the project is completed within the approved budget. This is the area that receives a lot of scrutiny duri ng and after the project is completed. The proj ect's ability to manage the financial resources obtained by the organization will be a measure of the organization s probity, not only in complia nce with donor's requirements but also a measure of its efficiency. Risks in this area have the highest i mpact to the project, the organizatio n and to the beneficiaries; inade quate budget ma nagement can lea d to misappropriations of funds, improp er assignment of expenses and losses that the organization may have to cover using its limited funds.

Budget management process include the activities to develop a budge t to meet the requir ements of the pr oposal (in case of a donor funded project) and a budget to meet the monitoring and accounting needs of the organization. A leading cause for project failure is poor estimating of the project budget; it is not unusual that during the proposal process the organization in its rush to meet the deadlines tried to short cut the budget creation process. This can lead to estimates that during the project imple mentation do not reflect the actual needs of the project.

One of the tools u sed during this process is u sing the activity based budget, which is a closer approximation to the project real needs. It uses the Work B reakdown Structure (WBS) to estimate the value of each task or activity and then adds up the values until a total budget is achieved. With thi s technique the project can determine the cost of each objective and the total cost of the project.

The main steps of budget management   include; the definition of all resource requirements the project will use, from consultants, material, and equipment; development of a co st estimate of all the resources including human resources, and the development of a budget baseline that will be used to track and report budget expenditures.

Outputs from this process includ   e; a project budge t, a budget management plan that defi nes the levels of authority for charging items to the budget, and a budget co ntrol plan that defies revision to the budget, budget updat es and a budget   monitoring pla n. An important technique in budget management is the use of Earned Value Analysis (EVA) which is basically a tracking metric which measures the actual amount of work the project has accomplished, regardless of the effort expended or the time elapsed.

Quality Management

Quality management is the process to ensur   e that the project will satisfy   the   needs of the benefici   aries.   Quality is defined as a commitment to del iver the project ou tputs and meet the expectations of the beneficiaries, whic h means that quality is ultimately defined by the beneficiary.

Quality is not about deliv   ering the most e xpensive materials or services; is ensuring the project ou tputs are relevant to the needs of the beneficiaries, that they are de livered in a timely ma nner and are adequate to the c onditions in which they have to be used. It is not necessarily doing additional work if it does not add value or benefit to the beneficiaries, it's about deliv ering on the c ommitment the project made at its initiatio n, and it's doing what the project said it was go ing to do.

During the quality management proc ess the project manager develops a quality management pla n which identifies the quality standards that are relevant to the project, some   of these standards may be initially set by t he organization, t he donor or are part of the techni   cal competence area the project is focusing, such as health or education.

The second process in quality management includes quality assurance, which implies the execution of the quality plan; this process includes quality audits performed by the project team during every project deliverable and reevaluating the quality standards and any assumptions made in the quality plan. Quality assurance focuses on prevention measures during the project implementation phase and checks to see that project staff, consultants or project partners are following the quality standards. In certain conditions meeting quality standards could mean meeting legal and regulatory standards set by the local government or the donor agency.

The third process in quality management is quality control; this is where the project measures the results of the deliverables or outputs and check to see if they meet the quality standards. The final process is quality improvements is making changes to the quality plan and identifying ways to improve quality an eliminate causes of unsatisfactory quality discovered during quality control.

Quality management outputs include a quality management plan, quality audit reports, and quality improvement records. A such quality is also maintaining the four project constraints in balance, implementing the project by delivering all that the projects was designed to deliver in the time allotted and under the approved budget.

Facilitating Processes

The facilitating process areas are team, stakeholder, information, risk, and contract management, they are facilitating areas because they assist and make possible for the project to achieve its objectives.

Team Management

During the definition of the project activities a list is created that identifies the skills needed by the project. These range from highly technical to administrative and support functions. The project team is after all the team responsible for the project and the project needs to be clear in acquiring the skills it needs.

Team management includes the processes required to make the most effective use of th e people involved in the project. The first step is identifying the roles, responsibilitie s and reporting relationships . The second step is getting th e people that will be a ssigned to the pr oject. These can come from within the or ganization or hired throug h the Human Resource function o f the or ganizational. This is where th e project manager needs to be heavily involved and pa rticipate in all interviews with possible candidates ; the success of t he project will depend on the quality and commitment of the team.

Once the team has been assigned to the team the next step is to develop the team, most projects do not have the luxury of time to fully develop a team, but the creation of a plan, that defines the development strategies and goals, c an help the project mana ger as the project gets impleme nted and t he team starts to produce. Team development includes hard and soft skills, hard skills like technical training to learn n ew methodologies or practices, and soft skills such as time management, communicatio ns, facilitating a nd negotiating skills.

Organizations also include an inductio n process to new hires were the mission, norms and culture of the organization are d escribed and guidelines and other internal proc esses are fully explained that will help new staff navigate throug h the organizations policies and procedures. Part of team ma nagement also includes team evaluation ; this should not be done once a year or at the end of the project but on a continuous basis to provide feedba ck and opportunit ies for staff to know about their performance and identify ways to improve it.

Stakeholder Management

Stakeholder management is one of the areas t hat receives the least amount of thought and planning i n development projects, this is due to the limited understanding and agreement on who are the stakeholders and their role in the project.

Stakeholders are all the people who have an interest in the project and they are the most c ritical element for the success of the project. They include donors, beneficiaries, loca l government, partner organizations and anyone who will be impacted by the project. Each project has a

different list of stakeholders, a range that can include the local press, local organizations, institutions and even watchdog organizations.

Managing stakeholders is not an easy task; the project's objective is to improve the way the relationship s between the project and the stakeholders are managed, this is achieved by taki ng a proactive approach that builds trust.

Stakeholder management i ncludes the processes of stakeholder analysis, planning, and communication. Stakeholder Analysis is the technique used to i dentify who are the project stakeholders, the next step is to identify their level of in terest and influence in the project, and identify their fears and concerns about the project. The final step is to develop a good understanding of the most important stakeholders and develop a com munications strategy and a stakeholder map that will help manage the relationships.

Stakeholder management also he lps manage expectations, each stakeholder has a different idea or expectation of what the project is; this is common at the start of th e project when limite d information about the project has been distribu ted. When beneficiaries are not involved in the pla nning or consulted on their needs and expectations they can easily turn their ba ck to the project and without beneficiaries the project doesn't have a reason to continue.

Failing to identif y stakeholders can lead to difficult situations, especially when the project has to deal with a key stakeholder who has the power to disrupt the project. By identifying early in the project the needs, concerns and issues of th e stakeholders, the project has developed an advantage that can use to its favor. Insufficient involvement and infrequent communi cation with stak eholders is a leading cause of project failure.

A project should never try to take st akeholders for granted, or assume they will all support the project unconditionally; good stakeholder management helps manage the poli tics that can often come wi th development projects. It helps win support for the projects and

eliminates a major source of projec t stress. The success or failure of the project is ultimately judged by stakeholders, not project managers.

Information Management

Includes the processes re quired to ensure timely and appropriate generation, collection, dissemination, storage, and ultimate dispo sition of project information. 80% of a project managers' time is spent communicating via reports, email, telephone, meetings and presentations. The first step of the plan is to de fine the information's needs of the stak eholders, determine when they need it, how the information will be distributed and how to evaluate the relevance and effectiveness of the information.

The information management plan contains a list or description of all the information that needs to be communicated by the project; it identifies who will be responsible for collecting, editing and distributing the information. Donors h ave specific information needs from the project and provide formats that describe the content and ti ming of the information required. Distributing information goes beyond the act of sending informa tion and includes steps to ensure the information was received and understood by t he intended recipients, this is important specially when developi ng donor reports or reports to comply with local laws or regulations.

Information management also includes an analysis or evaluation of the effectiveness and relevance of the info rmation distributed, this step is useful when information is used as a tool to build stakeholder support and build relationships with benefi ciaries, communities and other key stakeholders. A key component of th e information management is the development of a communications pl an. The communication plan is influenced by the type and needs of the pr oject stakeholders, one message or one type of report cannot be used to inform all stakeholders, each has a different in terest on the project, a different need for information and all requir e information in different formats and mediums, even the frequency of communications can be different.

Having a successful communications plan depends to a large extend to the ability of the project to listen, c ommunication is not just a bout

sending information, but learning to listen first and then define what information is missing. The goal of communication is the acceptance of the project's message by the rece iving audience. If the receiver understands the meaning of the me ssage which asks for action, but fails to act, the goal of communica tions is not achieved. But if the receiver responds to the message by taking the appropriate action, the goal of the communication has been achieved.

Risk Management

Risk Management includes t he processes concerned with identifying, analyzing, and responding to project risk. Risk in projects is defined as something that may happen and if it does, will have an adverse impact on the project. There are four stag es to risk management planning, they are: risk identification, risk analysis and qua ntification, risk response, risk monitoring and control.

Risk identification deals with findin g all possible risks that may impact the project, it involves identify ing potential risks and documenting their characteristics. The project team members identify the potential risks using their own knowledge of the project, its environment, similar projects done in t he past. Risk iden tification results in a deliverable, the project risk list.

The next step is the quantitative an d qualitative analysis of the project risks. Qualitative risk analysis assesses the importance of the identified risks and develops prioritized lists o f these risks for fu rther analysis or direct mitigation. The team assesses each identified risk for its probability of occurring and its impact on project objectives. Part of risk management includes the revisi on of ris k analysis during the project's lifecycle.

- Quantitative risk analysis is a way of numeric ally estimating the probability that a project will meet its cost and time objectives.
- Quantitative analysis is based on a simultaneous evaluation of the impact of all identified and quantified risks.

Risk response planning focuses on th e high risk items evaluated in the qualitative/quantitative risk analysis. It identifies and assigns staff t o

take responsibility for each risk event. The project manager and the team identify which strategy is be st for each risk, an d then design specific actions to implement that strategy.

Risk monitoring and control keeps track of the identified risks, residual risks, and new risks. It also ensu res the execution of r isk response plans, and evaluates their effectiven ess. Risk monitoring and control continues for the life of the project. The list of project risks changes a s the project matures, new risks develop, or anticipated risks disappear. Risks management is the management of events that may or may not occur, and planning for their possibl e range of impacts to the project. Because of this probabilistic and speculative nature of risk management, many project manager s feel it's is not necessary and prefer to deal with only when the risk occurs.

Contract Management

Contract Management incl udes the processes requir ed to acquire goods and services needed by the project from th ird parties, for mos t projects the procurement pr ocess is usually managed by a support or administrative function of the organi zations. The role of the project is to supply, as detai led as po ssible, all the procurement requirements including all the technical specificat ions, quantity and the date when they will be needed; this is created in a project procurement plan.

Contract management consists of four steps; develop the resource plan, implement the plan, review an d update the plan. The resource plan identifies the what, when and how many of the goods and services needed within th e budgeted limits. It also identifies potential sources and the strategies that the pr oject will use to procure; this is done in conjunction with the organizations' procurement function

Implementing the plan is the proc ess of developing the procurement documents such as the Request for Proposal (RFPs), developing the selection criteria a nd contract terms; it also involves t he process to solicit the goods an d services, obtaining quotations, bids, proposals or offers. Selecting the vendor or so urce involves choosing from the potential suppliers, verifying their qualifications and capacity and negotiating and awarding the contract.

Most of the time spent in contract management consist of following the due diligence process required to ensure the project obtains the goods and services under the req uired specifications. This is a process of systematically evaluating vendor in formation, to identif y risks and issues relating to the proposed tran saction and then select the offers that meet the requirements of the solicitation.

Monitoring the plan involves mana ging the relationship with the supplier, monitoring contrac t performance, ensuring payments are made on time and goods and services are delivered under specifications. When all contract ob ligations have been achieved (or when they have not) the project w ill close the contract which includes the completion and settlement of th e contract, resolution of open issues, final verifi cation, formal a cceptance and, if required by the donor, a contract audit.

Contract management will not only identify all the goods and services the project needs and acquiring them, but also identify the organizations procedures, donor restrictions and host country government regulations tha t apply to them. This process involves deciding how to procure, when to procure, what to procure and how much to procure. This process has as an objective to ensure the projects gets what it needs without creating risk to the project and the organizations. Risks can come in th e form of i mproper or inadequate controls to manage the contract relationships between the vendor and the organization. There are also risk s related to the ina ppropriate use of donor funds to purchase the g oods and services that do not meet the donor requirements; the purpos e is to ensure the goods and services meet the needs of the projec t and ultimately the needs of the beneficiaries.

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Drawing from our deep understanding of the challenges and the needs for realistic solutions that can improve the way in which projects are managed and services are delivered, PM4DEV offers the only adapted Project Management Methodology for development organizations. Our services include:

- **Consulting** to help organizations assessing the need and the impact of implementing a Project Management methodology that will increase the impact of their interventions.

- **On Site Training** on Project Management Methods to increase/develop the skills of project managers.

- **Online Learning** for project managers that want to develop their own competencies on a flexible online learning environment.

To get more information on these services, visit our web site at www.pm4dev.com/services or send us an email to services@pm4dev.com. We offer competitive prices and high quality material developed by international certified experts in Project Management.

Effective Project Management

An advanced level, hands-on course, that will give you the skills to ensure your projects are completed on time and on budget while satisfying the needs of stakeholders. You will gain a strong working knowledge on the nine processes of project management, and be able to immediately use that knowledge to effectively manage your project. Participants will work on a case study to complete all exercises. Upon successful completion of the Effective Project Management Online course participants will: Understand the nine process areas of project management, know the steps required to plan and manage each project management process and use the primary planning and monitoring documents of a project.

Fundamentals of Project Management

This course is a comprehensive introduction to development project management. Designed for people who want to build or increase their skills in project management and who work or are looking to work with international development organizations, donor and public institutions, NGOs, non-profit and community based organizations, Government and donor agencies, and anyone interested in a career in development project management. You will also learn the essential project management methods and techniques to deliver projects on time and within budget while meeting the expectations of key stakeholders. This course is especially designed to give you a complete understanding of what is project management and how it is used in development projects.

Project Design Monitoring and Evaluation

This is an introductory level course that will present the fundamentals of the DM&E Cycle of development projects, with practical applications of concepts, methods and best practices. This course will provide participants with tools, techniques and resources needed for designing, planning, organizing, monitoring and evaluating development projects. At the end of the course, participants will become familiar with the methods and tools to design, monitor and evaluate a development project. You will learn the steps required to design a project using the logical framework, elements of a good project proposal and the components of an effective monitoring and evaluation plan.

Find out more about our online courses at http://www.pm4dev.com/elearn.html and start build your project management skills. 20% early registration discount on all courses.

This Point of view provides a
summary of themes, that in
PM4DEV's experience, have
proved critical in the successful
implementation of project
management methodologies.

It draws on the expertise of
Project management professionals
and provides a guide to deliver a
methodology that increases the
chances of project success.

For more information about
PM4DEV services, contact us at:
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The Sustainable Development
Goals (SDG) aim by 2030 to end
poverty, protect the planet, and
ensure prosperity for all.

PM4DEV is committed to provide
resources and develop
knowledge and expertise to
support development
organizations in their efforts to
achieve these ambitious goals.

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Project Management
For Development Organizations

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