

MBA CLASS 4

Subject Profile: PROJECT MANAGEMENT

Session 2



PROJECT SCOPE MANAGEMENT

On completion of this Session, you will be able to:

1. Identify projects (Project prioritization, goals)
2. Analyze project stakeholders
3. Understand project risk and constraints
4. Identify the key project staff
5. Scope out project
6. Set up a Project definition Document (PDD) and Project Logical Frame Work (LogFrame)
7. Start up project

ACTIVITIES:

- **Lecturing**
- **Reading for comprehensive:** Sample of a Project Definition Document (PDD)
- **Group discussion:** New project identification (goals, stakeholders etc.)
- **Presentation:** Group presentation on the new project identification;
- **Home exercise:** Preparation of work breakdown structure (WBS) of the new project
- **Assessment:** Self-assessment

LEARNING TOOLS

- PMBOK Guide
- Lecture notes
- Assignment material
- Sample of Project Definition Document (FDD)

1. Identifying project

Identifying projects that are worth doing

- Project initiation: decide what to do
- Learning to prioritize projects

The diagram consists of six starburst shapes arranged in two rows. The top row contains three starbursts: 'Legal Requirements' (light blue), 'Market Opportunity' (medium blue), and 'Business inefficiencies' (yellow). The bottom row contains three starbursts: 'Technological advances' (pink), 'Customer needs' (green), and 'Competitor initiatives' (orange).

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1.1. Project initiation

Project initiation requirements

- Project selection criteria: define the range of possible management concerns
- Strategy plan: is considered as a factor in project selection decisions.
- Historical information: Results of previous project selection and performance should be considered.

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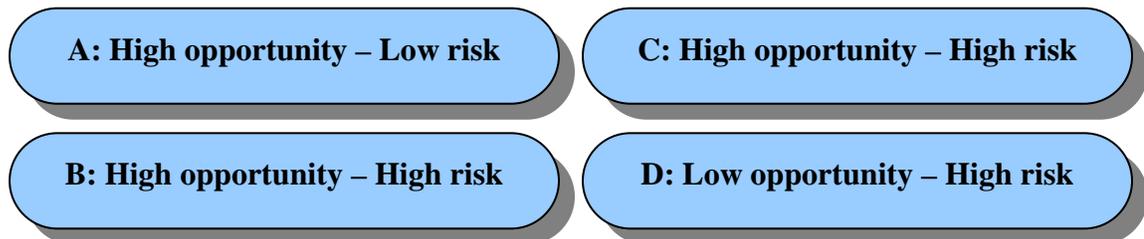
Descriptions

Project selection criteria:

Examples:

- Business risk/opportunity
- Market positioning
- Long term growth opportunities
- Public image considerations
- Return on investment
- Capacity strengthening

Project selection will attempt to optimize opportunity versus risk:



In a strategy Plan there are many considerations, such as:

- The impact of continuing to allocate assets in the current manner
- The impact of continuing current asset allocations, but improving business processes incrementally or radically
- The impact of doing new things (the strategic opportunity scenario)

Historical information

- Previous project selection decision, performance and results should be considered during the initiating project

1.2. Project initiation mechanisms & tools:

Project initiation mechanisms & tools:



- Decision models
- Benefits analysis
- Subject matter expert
- Audit reports
- Marketing analysis
- Customer surveys
- Technical reviews
- Legal changes

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Descriptions:

Market analysis and demand

- Product attribution and consumer analysis
- Price, break-even analysis
- Competitor analysis
- Promotion activities.
- Product distribution and channels of distribution
- People, capital and other resources.

1.3. Project initiation deliverables:

Two main Project initiation documents:

(1) Project Definition Document, and

(2) Project Framework within which the project will operate. This may include a list of assumptions and constraints.

1.4. Project prioritization

Project prioritization is undertaken based on study and analysis of the following factors:

- **Legal requirement:** The introduction of Goods and Services legislation
- **Market opportunity:** Gap in the market that can be filled by organization.
- **Business inefficiencies:** Business requirement to update company technology in order to be competitive
- **Technological advances:** need to update operation system to manage business requirements
- **Customer needs:** Client has requested a product not currently sold by organization
- **Competitor initiatives:** need to compete on competitor actions

1.5. Identifying project goals

The six criteria for good project goals

- Goal must be specific
- Goal must be realistic
- Goal must have time component
- Goal must be measurable
- Goal must be agreed upon
- Clear responsibility for achieving goals must be identified.

Establishing project goals

- Make a list of project goals and check it twice
- Study the list and eliminate anything has no direct bearing on the project
- Eliminate anything that is in meeting the goals but not a goal for the end results of the project
- Check that all goals meet the criteria.

2. Stakeholders' analysis

Undertake stakeholders' analysis

- Identify who is the key stakeholders of the project
- Define the expectation, requirements and supports from key stakeholders
- To acquire the acceptance and approval from stakeholders on key project documents/deliverables



ROLE DESCRIPTION

Project Stakeholders

- Identify a need (problem or opportunity)
- Communicate the need and initiate the project
- Verify project scope and project approach
- Influence the deliverables of the project

- Verify and accept the deliverables of the project

Project Sponsor

- Support and champion the project
- Communicate and promote project activities and progress to the business
- Ensure benefits are identified and measurable, and realized as a result of the project
- Approve the project scope and any changes to project scope
- Approve project expenditure and high level plan

Project owner

- Approve the business case
- Develop the project Brief
- Set the strategic business goals
- Approve the project scope
- Ensure that the project manager has the necessary resources
- Monitor the project progress against plan
- Ensure benefits are identified and measurable and realized
- Manage escalated issues
- Assist in the resolution of major issues

Project Steering Committee

- Approve the project scope and any change to the scope
- Guide, direct and review the project from a strategic perspective
- Monitor the project progress against plan, particularly important milestones and project deliverables
- Provide approval to proceed through each phase
- Assist in the resolution of major project related issues or risks

- Assist in the resolution of conflicts inter and intra organizational

3. Identifying risks and constraints of the project

Risk and constraint analysis establishes whether the goals of the project are really feasible.

Risk

- Risks usually occur from your uncontrolled factor like weather, bankrupt of your main supplier, project termination etc. As project gets larger, more risks come.
- The possibility of some risks is unknown but by identifying potential risks in advance, their impact is often reduced. As a project manager, you need to make decision to reduce the risks while keeping focused on goals.

Constraint

- Constraints, unlike risks, are known in advance.
- As a project manager, your job is to make sure you understand the constraints of your project and work within the limits.

6 popular project constraints

- The budget is inadequate
- The impossible schedule: project built around impossible date; missing an end date etc.
- The people
- The “real world” is deferred from the planned
- Facility and equipment
- Force majeure

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4. Identifying the key project staff

- Identifying what you need and what you want in a team
- Selecting the best core team members with what you have available
- choosing core team members
- Matching skills to talent

Skill requirement worksheet

Project Task	Skill requirement	People possibilities

- Your own staff
- Staff from other departments
- Contracting with consultants, outside vendor, temporary agencies
- Hiring and training new staff

5. Scoping project

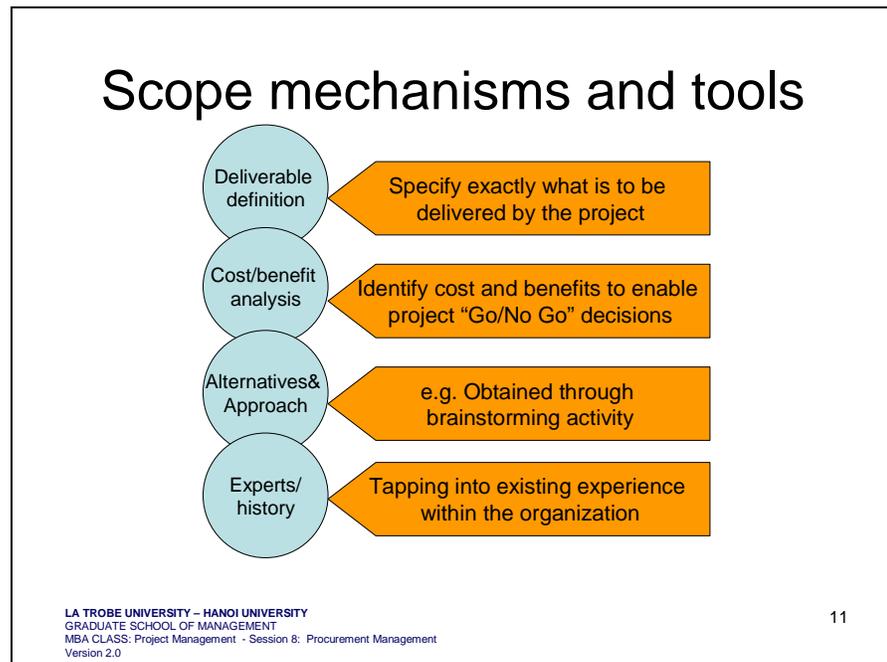
5.1. Project scope planning.

Scoping project starts with project scope planning.

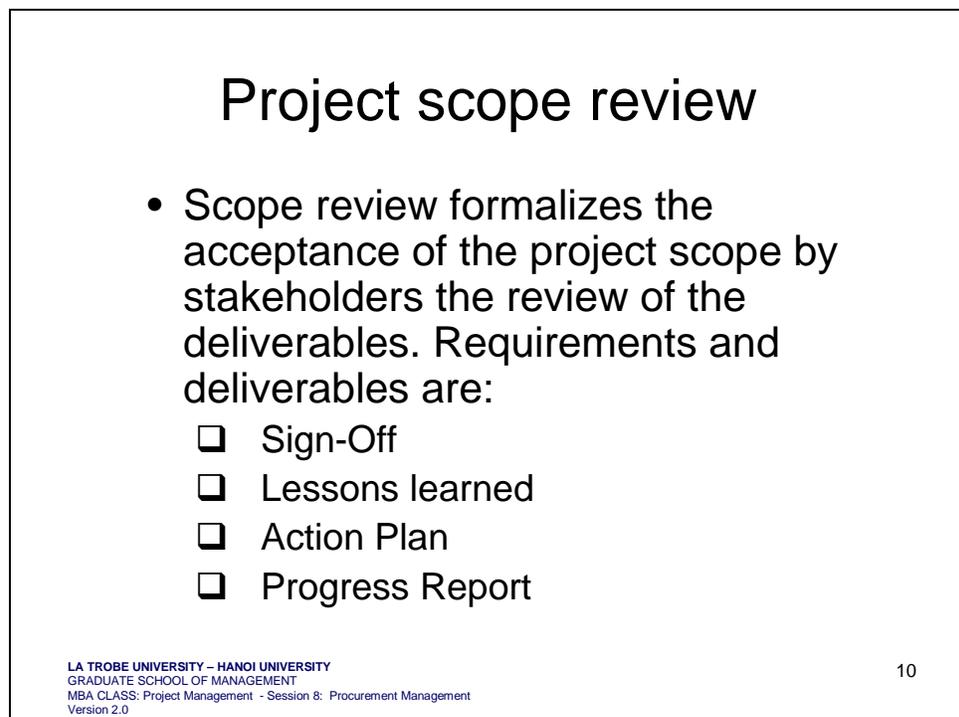
Scoping project

- Scope planning is the process of developing a formal Project Definition Document (PDD) which will be utilised as a fundamental written and agreed document for project development and implementation.

5.2. Scope mechanisms and tools

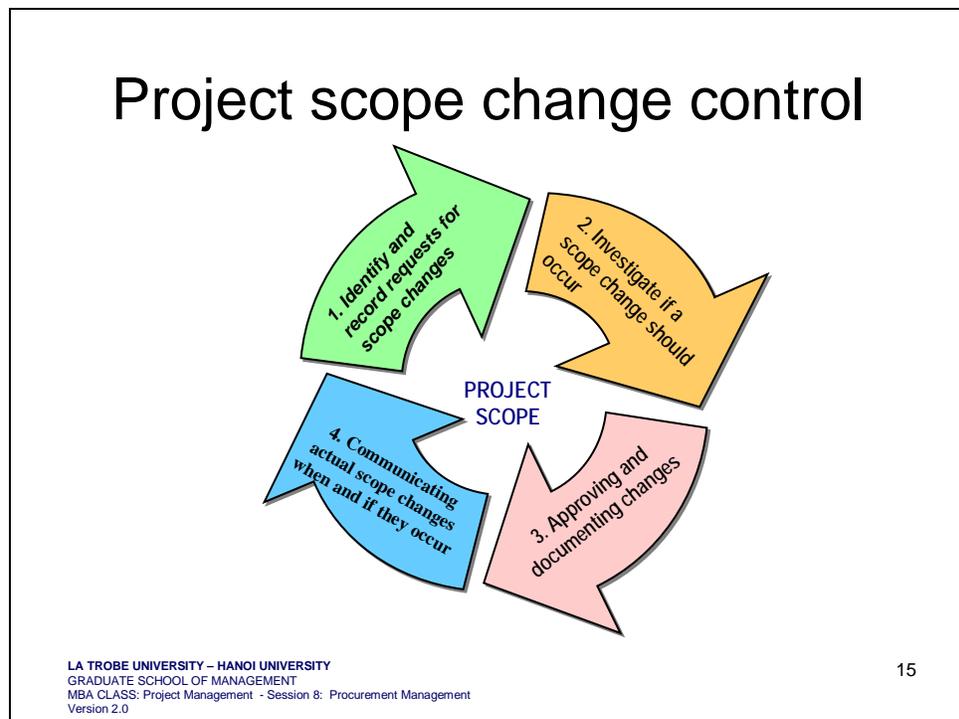


5.3. Project scope review requirement and deliverables



- Scope review formalizes the acceptance of the project scope by stakeholders the review of the deliverables.
- Deliverables are:
 - *Sign-Off*: The accepted document of deliverables must be prepared and distributed. Such acceptance may be conditional, especially at the end of a project.
 - *Lessons learned*: This process will help to look back over the project and identify where plans have changed.
 - *Action Plan*: Documentation that details how to bring the reminder of the project/phase back to the scope.
 - *Progress Report*: Documentation that provides a summary of the project progress to date.

5.4. Project scope change control



Project scope change control requirements:

- **Baseline Plan**: is the initial, signed-off version of the project plan. Amendments to the Project Plan are made against the original version.

- **Change control system:** is a process that evaluates requests, either approval or rejects, and then communicates the results to the project team
- **Change requests:** need to be formally presented to allow for appropriate consideration and investigation of impact. Changes may require amendments to time schedules, budgets, work content and quality of the deliverables

6. Project Definition Document and Project Logical Framework

6.1. Project Definition Document (FDD)

The project definition document practically consists of 4 parts:

- (1) Introduction
- (2) Project definition
- (3) Project organization
- (4) Key activities and deliverables

Note: a detail template of FDD can be referred in Annex 1.

6.2. Project Logical Frame Work (LogFrame)

An example of LogFrame of the Project “*Promotion of new variety and suitable fertilizers production*”

Objective level	Objective-solution chain	Measurable indicators	Assumptions
Goal	<i>Goal: to increase income for local people</i>	VND/head	Rice price does not reduce when rice output increases
	<i>Solution: increase rice productivity</i>	ton/ha	
	<i>Purpose: to increase rice</i>		

Purpose	production		Use of new variety and suitable fertilizer will increase output
	<i>Solution:</i> use of new variety and suitable fertilizers	<i>Fertilizer used (ton)</i>	
Project (Activity)	Objective: use of new variety and suitable fertilizers		The amount of loan and agricultural extension activities will make rice cultivation more effectively
	<i>Solution:</i> grant preferential loan and conduct agricultural extension activities	<i>Amount of loan (VND)</i>	
Input	Input/ objective: grant preferential loan and conduct agricultural extension activities	<i>No of households engaged in training</i>	
	<i>Solution:</i> bank loan	<i>Amount of loan (VND)</i>	

7. Project start up

Start up project

- Staff
- Logistics (office, transport, communication etc.)
- Network establishment
- Kick-off