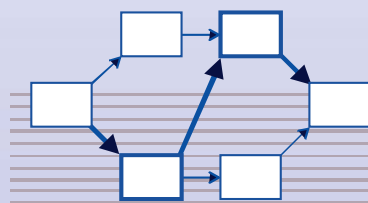


The Organizational Benefits of Project Management

A Complimentary White Paper by:



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Introduction

In the fast-paced business world of today, organizations are striving to complete work faster and more efficiently than their competitors. One of the keys to business success is the science and art of project management

What is a Project?

You might ask, just what is a project? And how do projects relate to my organization? A project is any temporary endeavor which creates a unique product, service or result. Designing a training program is a project. Installing a new computer system is a project. You can probably think of many projects currently underway within your organization. Projects can entail as little as \$50,000 and one team member, or millions of dollars and hundreds of team members. A project can originate in any department, and can vary in length from several days to a year or more.

What is Project Management?

Next, you may be wondering, what is project management? Project management is a systematic process used to initiate, plan, execute, control, and close a project to meet defined objectives. The science and art of project management provides a roadmap for efficient and successful project completion.

The Project Management Institute, an international association for the project management profession, has broken project management into the following areas of knowledge: Integration, Scope, Time, Cost, Quality, Human Resources, Communications, Risk, and Procurement Management. Each aspect is carefully managed to create a successful project outcome, although the level of detail required for each aspect varies according to the size and specific objectives of the project. The following includes a high-level synopsis of each aspect.

Integration: Integration Management is the process by which a project manager coordinates project management activities and processes, to ensure the articulation of project goals and objectives, and the achievement of those goals and objectives within the defined constraints of the project.

In a nutshell, Integration is simply the high-level work of managing the various aspects of a project. For example, cost estimates are impacted by risk management efforts, quality requirements may impact cost, and so on; and a good project manager orchestrates all of these aspects of a project. Putting the pieces together into a cohesive whole in order to complete the project cheaper, faster, and with fewer resources—while still meeting project objectives—is the primary focus of integration.

Scope: Scope Management involves the identification and definition of all of the work required to successfully complete the project, while ensuring that unnecessary work is not included in the project plan. It also deals with managing project change, and formal acceptance of project deliverables.

Breaking work into manageable pieces prior to starting a project reduces the potential for changes later, and changes are a major source of increased cost on many projects. Not clearly defining the work up front could end up costing you more than you bargained for!

Time: Time Management encompasses the work required to create realistic time estimates, and ultimately an approved schedule for the completion of project activities in the most timely manner possible. It also involves managing the project to ensure adherence to the schedule.

All of us are familiar with scheduling work. But in many organizations, a project end date is determined without a clear understanding of the work required to complete it. By estimating pieces of the project, and creating options to compress the schedule in order to meet the required end date, project management ensures that a required end date can be met—before project work even begins!

Cost: Cost Management encompasses the work required to create realistic cost estimates, and ultimately an approved budget for the completion of project activities in the most cost effective manner possible. It also involves managing the project to ensure adherence to the budget.

No one is happy when work exceeds the budget allocated for it, which is why creating a realistic budget is imperative. Cost management techniques eliminate the need for “padding” estimates, and reduce unpleasant surprises as work progresses.

Quality: Quality Management ensures that the work of the project conforms to internal quality standards and processes, and that project results (deliverables) meet the project requirements. Deviations from the standards are identified and corrected.

Lack of attention to quality can result in defects and dissatisfaction. Within the framework of Project Management, Quality is planned into a project, thereby eliminating rework when the end result does not meet the standards of your organization or the customer.

Human Resources: Human Resource Management includes the identification of roles within the project, selection and development of team members, and the management of team members’ performance throughout the project.

Human resource management begins with the acquisition of project team members. Then, throughout the life of the project, the project manager is responsible for developing, managing and motivating the team, making the project run more smoothly.

Communications: Communications Management addresses the planning and implementation of communications strategies utilized throughout the project, to ensure timely and accessible distribution of relevant information to project team members and other stakeholders.

How many times have you received a ten page report, when all you needed was a bar chart? Have you ever learned, much too late, that work is not progressing along the lines you had expected? With structured project management, such issues can be avoided. The communication requirements of all parties are documented and incorporated into a comprehensive communications management plan, so the right people get the right information at the right time and in the right format. How easy is that?

Risk: Risk Management includes the identification of potential positive or negative risk events, assessment of their potential probability and impact, and the development of plans to minimize the likelihood of negative risks occurring, and plans to mitigate identified risks, should they occur. Positive risks, also called opportunities, are identified, and plans developed to improve the likelihood of their occurrence, and to allow the project to realize the benefits of those events.

Studies have shown that project problems can be decreased by up to 90 percent through the application of proper risk management. Identifying and eliminating potential threats before they occur significantly reduces the cost of most projects. Conversely, identifying and maximizing project opportunities can save cost and increase revenue from the work of the project.

Procurement: Procurement Management deals with the purchase of goods or services from organizations external to the project organization. It addresses the determination of what is needed, creation and execution of contracts for those goods and services, and management of contracts throughout the project.

Contracting an outside party to complete pieces of the work on a project can be daunting, but doing so may be more efficient as well as cost effective. This Procurement process defines the methods to make procurements a successful part of your projects.

The Benefits of Project Management

The science and art of project management provides a proven methodology for accurately and efficiently completing projects of any size. Thorough and detailed project planning results in a bought-into, approved, realistic, and formalized project plan. Such careful planning saves time and money by proactively addressing risks before they occur, as well as by eliminating the need for changes late in the project. Studies have shown that changes made late in a project could cost up to 100 times as much as if they were made early in project planning.

In 1992 Wallace, Ron and Wayne Halverson wrote an article entitled "Project Management: A Critical Success Factor or a Management Fad?" Published in *Industrial Engineering* (April 1992), the authors offered the following conclusions:

- Project management provides significant benefits to companies and to managers when the principles and methodologies are consistently applied
- Project management helps managers identify ill-conceived and directionless projects
- Project management promotes teamwork and communication across departments
- Project management enables managers to predict costs and make more informed decisions

In the 15 years since the above article was published, the project management process has grown into a mature profession, with multiple certifications and standardized processes evolving from years of study and experience. Project management has been embraced by hundreds of thousands of organizations worldwide, from small companies to large corporations. They all have the same goal; to effectively manage project work, so projects come in on time and on budget. They are working smarter, not harder, while saving time and cost through improved efficiency.

A recent study by the Project Management Institute (PMI 2004 Executive Research Study) states that 98 percent of global senior executives believe that project management is a strategic imperative for all organizations. Additional research indicates that 76 percent of C-level executives across the globe attribute successful change management initiatives to effective project management.

Conclusion

Is it time for your organization to realize the benefits of project management? If so, RMC Project Management is ready to assist you with your training needs. Whether you are looking to place a few employees in a publicly-scheduled class, or bring project management training onsite to your organization, RMC has 15 options for classroom training as follows.

Project Management Fundamentals

- PM Crash Course^(TM): Real-World Tools for Real-World Projects (1 day)

Core Project Management Training

- Project Management Tricks of the Trade[®] (3 days)
- Tricks for Avoiding Common Project Problems (1 day)

Project Management Certification

- CAPM[®] Exam Prep Course (2 days)
- PMP[®] Exam Prep Course (2 days)
- Accelerated PMP[®] Exam Prep Course (4 days)

Advanced Project Management

- 15 Attributes of the Most Successful Project Managers (2 days)
- Tricks of the Trade[®] for Risk Management (2 days)
- Tricks of the Trade[®] for Managing Customer Requirements (1 day)
- Tricks of the Trade[®] for Negotiation (2 days)
- Understanding Contracts (2 days)
- Why Projects Fail and How to Prevent Failure (1 day)
- Senior Management's Role in Project Management (1 day)

1/2 Day Workshops and Seminars

- Common Risk Management Errors That Can Ruin Your Career (1/2 day)
- Making Project Management Work in Your Organization (1/2 day)

In addition to our classroom-based training, many of the above-listed courses are available as e-learning courses. For those interested in self-study, RMC also offers numerous books, audio CDs, flashcards and software covering basic and advanced project management concepts.

About RMC Project Management

Founded by Rita Mulcahy in 1991, RMC Project Management is the worldwide innovator in project management training and professional development, specializing in real-world project management training. The company's focus is on helping project managers use the latest project management tools and techniques to complete projects faster – and with less expense, better results, and fewer resources. RMC offers a wide range of innovative classes and products for beginning project managers, advanced PMs, and project managers seeking an internationally-recognized certification. These courses are offered in major cities throughout the United States.

Over the last 15 years, tens of thousands of project managers in over 40 countries have utilized one of RMC's professional development resources, classes or e-Learning courses to expand their project management knowledge and further their careers.

About Rita Mulcahy

Rita Mulcahy is an internationally recognized expert on project management techniques, advance project management theory, risk management and project management certification. Rita has over 15 years and US \$2.5 billion worth of hands-on project experience. She has turned this experience into over 10 best-selling project management resources, which have helped over 150,000 people manage their projects better. Rita has a reputation for helping people to learn and to have fun while doing it.

Contact RMC

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