Unit 1 – Project Overview

ecITB MANAGEMENT & PROFESSIONAL

Engineering Construction Industry Training Board

Unit 1 - Project Overview

Learning objectives

To gain an understanding of projects and project management including,

- What a project is
- What project management is
- What project controls are
- Principles of governance of project management.

Projects overview

The Association of Project Management (APM) describes a project in the following way:

“A transient endeavour undertaken to bring about change and planned objectives.”
(Source: APM Body of Knowledge, 6th Edition)*

** references to this publication will be abbreviated as ‘APM BoK’ throughout this document*

In simple terms the word project is used to describe activities that are carried out to meet specific objectives for change. These changes that are managed can fall into several categories, they can be an amendment to a thing that already exists or they can be aimed at creating something that is completely new.

Therefore, a project can be summarised as:

- Projects are the engines of change.
- Each project is a means to an end.
- The ultimate aim of a project is to maximise the value of investment or benefit to the client on whose behalf the project is being undertaken.
- The project should simultaneously achieve certain objectives in terms of physical and environmental safety and protection during execution and operation.

What is Project Management?

The APM describe Project Management in the following way:

“The application of processes, methods, knowledge, skills and experience to achieve specific objectives or change.” (APM BoK)

Following on from this quote it can be said that project management is concerned with controlling the introduction of the desired change.

When managing the project we need to consider many elements, namely:

1. The project will be carried out as a result of an input such as a business need, problem or even opportunity.
2. The objective will be to turn that input into the achievement of those objectives in terms of deliverables, services, change etc
3. Of course it’s not that easy! There will inevitable constraints placed on the project objectives in terms of Time, Cost, Quality, Safety, technical etc.
4. We also have to consider the mechanisms that will facilitate the successful achievement of objectives in terms of the people (skills and availability), tools, equipment and techniques some of which may have to be innovated along the way.

5. That is where project management truly delivers, by turning the input into the desired output, using the mechanisms available to deliver the objectives within the constraining factors.

Even with project management fully in place, there will be times when the best plan in the world will need to be compromised.

Project control overview

Project control is an integral part of ensuring effective project delivery.

It consists of data gathering, data management and analytical processes used to predict, understand, and constructively influence the time and cost outcomes of a project or programme; through the communication of information in formats that assist effective management and decision making.

Project control is needed on all projects.

A projects control professional/project controller is needed where the level of risk associated with the project is sufficiently great to require independent assurance and verification of technical information. This risk is associated with areas such as commercial; safety; environmental; legal; and/or people.

The following provide essential control to a project:

- Planning and scheduling
- Risk management (includes identification & assessment)
- Cost estimating and management
- Scope and change management
- Earned value management
- Document control
- Supplier performance
- Maintaining the project baseline
- Reporting

A project controller should not be thought of as solely a support function but as a fellow professional with the project manager. The following analogy will assist in understanding the role.

The project manager is the 'captain' of the ship and accountable for getting the ship to its planned destination while the project controller provides the information to the captain which includes:

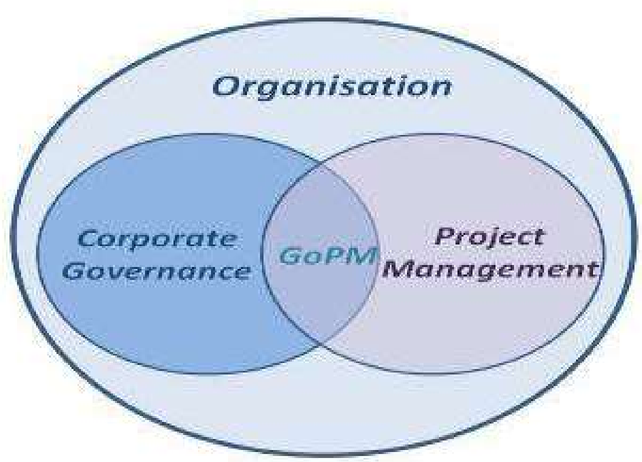
- Weather conditions
- Actual position against the planned position
- Amount of fuel left
- Miles completed; miles left to go
- Where the rocks, shallow waters and icebergs are!

Governance of Project Management

The following information is taken from the APM's *Directing Change, A guide to governance of project management:*

"The governance of project management concerns those areas of corporate governance that are specifically related to project activities. Effective governance of project management ensures that an organisation's project portfolio is aligned to the organisation's objectives, is delivered efficiently and is sustainable. Governance of project management also supports the means by which the board, and other major project stakeholders, are provided with timely, relevant and reliable information."

The following diagram illustrates that the governance of project management is a subset of activities involved with corporate governance. Representing also the fact that most of the methodologies and activities involved with the day-to-day management of individual projects lie outside the direct concern of corporate governance.



Principles of Governance of Project Management

It is suggested that a Board of Directors might address 4 key components of the governance of project management:

- Portfolio direction
- Project sponsorship
- Project management effectiveness and efficiency
- Disclosure and reporting

Based on governance requirements and on the discipline of project management, the following 11 principles have been identified for governance of project management.

1. The board having overall responsibility for governance of project management.
2. The clear definition of roles, responsibilities, and performance criteria for the governance of project management.
3. Disciplined governance arrangements, supported by appropriate methods and controls, applied throughout the project life cycle.
4. Demonstration of a coherent and supportive relationship between the overall business strategy and the project portfolio.
5. All projects having an approved plan containing authorisation points for the business case to be reviewed and approved. Decisions made at these authorisation points recorded and communicated.

6. Members of delegated authorisation bodies have sufficient representation, competence, authority and resources to enable them to make appropriate decisions.
7. The business case being supported by relevant information to provide a reliable basis for making authorisation decisions.
8. The board or its delegated agents deciding when independent scrutiny of projects and project management systems is required and implementing such scrutiny accordingly.
9. Clearly defined criteria existing for reporting project status and for the escalation of risks and issues to the levels required by the organisation.
10. Fostering a culture of improvement and of frank disclosure of project information within an organisation.
11. Project stakeholder engagement at a level commensurate with their importance to the organisation and in a manner that fosters trust.

Learning Outcomes

You should now know:

- What a project is
- What project management is
- What project controls are
- The principles of governance of project management