About Topic Gateways

Topic Gateways are intended as a refresher or introduction to topics of interest to CIMA members. They include a basic definition, a brief overview and a fuller explanation of practical application. Finally they signpost some further resources for detailed understanding and research.

Topic Gateways are available electronically to CIMA members only in the CPD Centre on the CIMA website, along with a number of electronic resources.

About the Technical Information Service

CIMA supports its members and students with its Technical Information Service (TIS) for their work and CPD needs.

Our information specialists and accounting specialists work closely together to identify or create authoritative resources to help members resolve their work related information needs. Additionally, our accounting specialists can help CIMA members and students with the interpretation of guidance on financial reporting, financial management and performance management, as defined in the CIMA Official Terminology 2005 edition.

CIMA members and students should sign into My CIMA to access these services and resources.

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Project management

Definition and concept

What is project management?

‘Integration of all aspects of a project, ensuring that the proper knowledge and resources are available when and where needed, and above all to ensure that the expected outcome is produced in a timely, cost-effective manner. The primary function of a project manager is to manage the trade-offs between performance, timeliness and cost.’

*CIMA Official Terminology, 2005*

What is a project?

‘A project is a series of activities designed to achieve a specific outcome within a set budget and timescale. It has clear start and end points, a defined set of objectives, and a sequence of activities in between.’

*Bruce, A. and Langdon, K. Project Management (2001)*

A well managed project will:

- deliver the deliverables
- achieve the associated benefits
- result in customer satisfaction.

There are two types of deliverable:

1. ‘Hard’ projects – often delivering a physical entity, such as a bridge or a new product.
2. ‘Soft’ projects – possibly delivering a new work process or an organisational change.

The deliverables usually have associated benefits. For example, a new IT system may result in lower unit costs, save staff time and/or enhance product or service quality.

Every project has at least one customer group. Success should be measured not just in terms of deliverables, but in end user satisfaction.
**Context**

CIMA students are unlikely to study project management for their professional examinations, but they may well become involved in projects and project management at any stage during their professional careers.

**Overview**

Projects are not a modern concept. The Pyramids of Egypt, the Great Wall of China and the Aztec temples are all major building projects from ancient civilisations.

In World War II military authorities used operational research techniques to make the best use of available resources. The need to achieve results quickly gave rise to the use of project management techniques, such as the use of networks to create a system of related activities.

Modern project management tools and techniques can:

- help businesses to focus on their priorities and to track their performance
- add flexibility and responsiveness in a customer-driven business environment
- provide ways of responding to difficulties and adapting to changed conditions
- help managers to lead their teams
- enable greater control.

Features of a successfully managed project include:

1. Clearly defined goals, widely communicated and understood.
2. A defined project start and end.
3. Resources (time, money and people) allocated separately to routine work.
4. An organised, methodological approach.
5. A well led and motivated team of people.
6. Control and monitoring systems.
Successful project management depends on:

- leadership
- well developed planning skills
- an understanding of team priorities and concerns
- sensitivity to the culture of the work environment
- the ability to know when to take calculated risks
- a high level of personal commitment.

**Application**

**In practice**

**Managing the stages of a project**

**Initiation**

This involves agreeing the vision i.e. what the project needs to achieve. Project planners might find it helpful to draw up a checklist, such as the one below, to make sure that no stage of the initial planning process has been overlooked.

- Clarify objectives.
- Consult stakeholders, in particular customers and end users.
- Carry out a feasibility study or pilot project.
- Determine what qualities are necessary for the project manager, for example, team leadership or technical expertise.
- Set up reporting channels.
- Decide on any training for the project manager or for project team members.

**Planning**

This involves the setting of objectives and agreement on a course of action and resources to be allocated. The order and scheduling of tasks to produce the deliverables should be determined at this stage.
Motivating
The project manager needs to select a balanced team, possibly considering Belbin’s team roles theory, and foster teamwork. Good multidirectional communication is essential within the team and with the sponsor, customer and supplier.

Monitoring
Targets should be established to measure progress. Risks to the success of the project must be assessed and accepted, avoided or mitigated. Changes, when necessary, must be incorporated into the project plan as appropriate.

Closing
The project is either successfully completed, ideally on time and within budget, or may be abandoned. This may occur if budget and resources are no longer available, if the business case has changed, or if external influences change the feasibility or projected value of the project. There should always be a final evaluation stage to measure success and to learn lessons for future projects.

Six features of a well managed project
1. Clearly defined goals, widely communicated and understood
Objectives must support or align with the organisation’s overall strategy.

It is essential that the project is feasible before any resources are committed. Project planners must ensure the following.

- The timing for the project is right.
- The driving forces are identified. Driving forces could include continued loss of revenue or ongoing staff frustration if action is not taken. The stronger the driving forces, the greater likelihood of project success.
- The resisting forces are identified. These could include a lack of budget for the project, or too heavy a staff workload.
- The project is correctly prioritised so that the necessary time and resources are allocated. It is important to create a master schedule so that potential resource clashes between projects can be identified.
2. **A defined project start and end**

This can be in terms of dates, or relative to another event, planned or unplanned. For example, a building project may only start once venture capital is secured whereas for a training video on ageism in the workplace it might need to finish before legislation is in place.

External and internal risks should be identified and monitored. If these indicate that the project is no longer viable or will no longer be able to provide the benefits associated to the deliverable, the project may (rightly) be abandoned.

3. **The necessary resources, including staff, finance, facilities, equipment and materials**

Plans must be detailed but flexible. It is unlikely that the project plan will remain unchanged but one should guard against ‘project drift’ where activities no longer support stated objectives.

It is imperative to involve customers in identifying the project targets. Once the objectives have been set, the project can be planned in more detail.

4. **A structured approach and methodology**

Using a methodology such as Prince2 will provide a transparent and rigorous framework for the project. Even small projects should have a structured approach to planning.

The plan should state what will happen, how long it will take and how much it will cost. The activities necessary to complete the project should be listed and grouped in a logical order. Project planners might find it helpful to use one or more of the following ‘tools’.

- **Product breakdown.** This is an activity based approach where each project activity is identified. An initial task may be shown as a ‘box’ with a series of further task ‘boxes’ underneath. For example, a project room booking ‘box’ may be followed with IT installation or team member training ‘boxes’.

- **Product flow diagram (PFD).** The PFD shows the order in which products have to be created. For example, the type of computer software will determine what type of training manual is required. You cannot produce a manual until the software is defined.
Network diagram. This flow chart shows the relationship between different project tasks and which ones must be completed first. It illustrates which tasks could be completed simultaneously. A network diagram also shows the longest route through a project, known as the ‘critical path’. The ‘critical path’ allows planners to calculate the shortest potential duration for the project.

Gantt chart. This shows where project activities and plan resources overlap. For example, the Gantt chart may display project tasks on the left and the project timescale in weeks across the top. Bars are drawn across the chart to show when the tasks begin and end.

When ordering activities, the project manager should:

- look at how project tasks inter-relate and which ones should be tackled first
- estimate the activity time for each task
- build in ‘slack’, for example, allow for holidays and sickness leave
- agree start and end dates for each activity.

At this stage, the plan needs to be validated by the team.
5. The best available team, trained if necessary, led by the project manager

Typically, team roles are:

**Sponsor or executive.** Often initiates the project and has ultimate responsibility for the project. Helps to set objectives and may provide resources. Should ensure its continued fit with the organisation’s strategy.

**Customer.** Internal or external person who benefits from the project. Role is to influence the project and how success is measured.

**Supplier.** Provides materials, products or services needed to deliver the project. Can be internal or external to the organisation.

**Project manager.** Is in charge operationally, but he or she alone cannot make the project successful. Responsible for achieving overall objectives. Provides a detailed action plan, and motivates and develops the team. Must identify key players and their roles.

**Key team member or team manager.** Assists the project manager in planning. Examines project feasibility and provides technical expertise.

**Team member.** Responsible for completing activities as agreed in the project plan. Can also fulfil a more specialised consultancy role.

**Stakeholder.** Anybody who is interested in, or affected by, the project’s outcome. May provide feedback.

**The importance of team working**

The project manager must assess the availability of the team who is required, for how long, and when. He or she should judge who might be suitable for each role, and to liaise with other managers.

Generally it is better for the project manager to take a consensual approach rather than a dictatorial stance. He or she should encourage team members to respect different skills and to work together constructively. The project manager must be diplomatic. He or she should identify the cause of a problem to prevent it from recurring.

However, the project manager sometimes has to take tough decisions or take calculated risks. This is appropriate in a crisis situation or if the project is under severe time pressure.
Tuckman’s team development cycle

This team development model was developed by Bruce Tuckman to help teams understand the processes they undergo to become successful.

- **Forming.** Team members feel uncertain of each other and unsure of their roles.
- **Storming.** Team members start to assert themselves and jockey for status.
- **Norming.** The team accepts and agrees the work practices and processes.
- **Performing.** The team works constructively together to achieve the project’s goals.
- **Adjourning.** The group breaks up on the successful completion of the project. Everybody is satisfied and can move on to new ventures.

The following can also occur.

- **Boring.** Team members stop looking for new challenges or improved working practices.
- **Mourning.** A team bonds well and reacts negatively to the departure of one or more team members.

Controlling and monitoring

Communication within the team should be integral and multi-directional. Each team member needs to be fully accountable for resources used. All activities should be documented. The best way is to produce a document that all the stakeholders can agree to. The document, also known as a commitment matrix, should record the following information.

- **Project task.** The activity should be recorded as a number on the project task list.
- **People.** The team member or members who are responsible for a particular task.
- **Resources.** The resources needed to carry out the task, for example, facilities, equipment and materials.
- **Cost.** The budgeted cost of the task with set parameters.
Monitoring performance

The project manager should set up a monitoring process. Frequent review meetings should be held throughout the project lifecycle to discuss progress. A monitoring process will prevent small problems from becoming larger.

It is important that the whole team understands effective monitoring. A large or complex project needs more frequent monitoring than a smaller or less complicated one. The project manager should:

- compare current schedules and budgets against the original plan
- keep monitoring control in place at all times
- ask the project team for feedback on monitoring performance
- praise team and individual effort where milestones have been achieved.

Completion and project evaluation

As the project nears completion, it is important to evaluate exactly what has been achieved. The lessons learned should be documented. It is important to record what can be learned for the next project. Good project working can be put forward to the wider organisation as examples of best practice.

The project manager should:

- evaluate the project so that lessons are learned and the next project is managed better
- ensure that all jobs are completed, however small
- publicise the achievements of the project team
- thank the whole team – and celebrate.
Why projects fail

Projects are likely to fail when some or all of the following occur:

1. aims and objectives are not properly thought through
2. inadequate planning
3. customers are not sufficiently involved
4. expectations do not match reality
5. poor communications
6. under skilled managers
7. failure to measure and monitor progress
8. inappropriate technology used
9. over dependence on one customer.

Project failure warning signs

Project planners and managers should look out for the following:

1. lack of agreement on aims and objectives
2. continually changing requirements
3. repeated contract modifications
4. no written project implementation plan
5. a rapidly growing budget
6. major deliverables are late
7. dissatisfied customers.

References


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**Further information**

**Articles**

Full text available from Business Source Corporate through My CIMA
www.cimaglobal.com/mycima
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*Planning is the key to efficient project management*. *Payroll Manager’s Report*, June 2006, Volume 6, Issue 6, p. 15

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Wagner, P. *The 3 skills you need to have for successful project management*. *Information Outlook*, August 2006, Volume 10, Issue 8, pp 24-26

**Books**


Websites

The Association for Project Management (APM)
APM is a professional body based in the UK.
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Project Management Institute (PMI)
PMI is a professional association based in the USA.
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A gateway to project management information and resources from around the world.
Available from: www.pmforum.org
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The website of Project Manager Today magazine.
Available from: http://digbig.com/4wec
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TenStep
Specialises in business methodology development, training and consulting, with a focus on project management.
Available from: www.tenstep.com
[Accessed 11 November 2008]

The Office of Government Commerce
The website has some useful publications.
Available from: www.ogc.gov.uk
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