

Principles of Project Management



Index of Contents Project Management

Index of contents

Chapter 1	Project and Environment
Chapter 2	Factors of Success
Chapter 3	Organisation of projects
Chapter 4	Scheduling Costs and Resources
Chapter 5	Scheduling Duration and Target Dates

Chapter 1: Project and Environment

Index

1	Project and environment	1-1
1.1	Definition of project	1-1
1.1.1	Definition of project according to IPMA	1-1
1.1.2	Definition of project according to DIN 69901	1-1
1.1.2.1	Division of work	1-2
1.1.2.2	Projects without a project specific organisation	1-2
1.1.2.3	Uniqueness of conditions	1-2
1.1.2.4	Borderline cases	1-2
1.2	Definition of project management	1-2
1.2.1	POSDCORB	1-3
1.3	Coordination of processes	1-4
1.3.1	Process coordination in business administration	1-4
1.3.2	Mechanism of coordination	1-4
1.3.2.1	Management by hierarchy	1-4
1.3.2.2	Management by self determination	1-5
1.3.2.3	Management by programs and rules	1-5
1.3.2.4	Management by scheduling	1-5
1.4	Project types	1-6
1.4.1	External projects	1-6
1.4.2	Internal projects	1-6
1.4.3	Investment projects	1-7
1.4.4	Organisational projects	1-7
1.4.5	Research and Development projects (R&D)	1-7
1.5	Stakeholder analysis	1-7
1.5.1	Project and stakeholder	1-7
1.5.2	Identification of stakeholders and expectations	1-8
1.5.2.1	Concernment analysis	1-10
1.5.3	Results of the stakeholder analysis	1-10
1.5.4	Example City planning: central station Munich	1-12
1.5.4.1	Construction logistics	1-12
1.5.4.2	Town Administration point of view	1-14
1.5.4.3	Point of View of DB-Project	1-14
1.5.4.4	Combination of the different Point of Views	1-14
1.6	Cross Impact Analysis and Sensitivity Model	1-15
1.6.1	Selection of variables	1-16
1.6.2	Matrix of criteria	1-17
1.6.3	Matrix of sensitivity	1-17
1.6.4	Matrix of consensus	1-17
1.6.5	Index of influence	1-18
1.6.6	Role allocation	1-19
1.6.7	Adjacency Matrix	1-21

Chapter 2: Factors of Success

Index

2	Factors of success	2-1
2.1	General Remarks	2-1
2.1.1	Ancient development	2-1
2.1.2	General management and project management	2-2
2.2	Frequent failures at the project processing	2-2
2.3	Definition of Project success	2-3
2.3.1	Examples for different definition of success	2-4
2.3.2	Different views on the Project	2-4
2.3.2.1	Investment Projects	2-4
2.3.2.2	Government/ Public authority Projects	2-5
2.3.2.3	Non-monetary Projects	2-6
2.3.2.4	Sustainability	2-6
2.4	Determination of Factors of Success	2-6
2.4.1	Project management	2-6
2.4.2	Factors	2-6
2.4.3	Factors of success	2-7
2.4.3.1	Identify	2-8
2.4.3.2	Formulate	2-8
2.4.3.3	Measures to achieve	2-8
2.4.3.4	Measurement of factors	2-8
2.4.3.5	Measurement of success	2-9
2.4.4	Key Performance Indicators (KPI) - Examples	2-9
2.4.4.1	Balanced Score Card	2-9
2.4.4.2	Job-Scheduling for full-time schools	2-9
2.4.4.3	“EastLink” – PPP Project in Australia	2-10
2.4.4.4	Long Bay Prison Hospital – PPP Project in Australia	2-11
2.4.4.5	Development estimation	2-12
2.5	Tools to accomplish	2-12
2.5.1	Scheduling Tools	2-12
2.5.2	Assignment of Resources	2-14
2.5.3	Calculation	2-15
2.5.4	Quality control	2-15
2.5.5	Communication	2-17
2.6	Abstract factors of success	2-17
2.6.1	Lechler Survey	2-17
2.6.2	Soft skills	2-18

Chapter 3: Organisation of Projects

Index

3	Organisation of Projects	3-1
3.1	Unique copies and processes	3-1
3.2	WBS – Work break down structure	3-6
3.2.1	Definition: Work breakdown structure	3-7
3.2.2	Work packages	3-7
3.2.3	Structuring and classification	3-8
3.2.4	Development of a Work break down structure	3-9
3.2.5	Description of work packages	3-10
3.3	Models of proceeding	3-10
3.3.1	Project Phases	3-10
3.3.2	Activities	3-12
3.3.3	Milestones and milestone results	3-13
3.4	Models from the IT sector	3-14
3.4.1	The Archetype of a cascade	3-14
3.4.2	The V-Model	3-15
3.4.3	The prototyping approach	3-16
3.4.4	The evolutionary model	3-16
3.4.5	The incremental model	3-16
3.4.6	The agile project management	3-16
3.5	Project organisation	3-17
3.5.1	Projects exceeding the company	3-17
3.5.2	Integration of projects to a main organisation	3-18
3.5.3	Pure project organisation	3-19
3.5.4	Matrix organisation	3-19

Chapter 4: Scheduling Costs and Resources

Index

4	Scheduling Costs and Resources	4-1
4.1	Calculation of Cost and Resources	4-1
4.1.1	Structures	4-2
4.1.2	Function of production	4-4
4.1.3	Resource Interaction	4-5
4.1.4	Costs and Resources	4-6
4.1.5	Overhead Cost	4-7
4.1.5.1	Direct Overhead (Project Overhead)	4-8
4.1.5.2	Indirect overhead	4-10
4.1.6	Resource Requirement Planning	4-11
4.2	Cost estimation methods	4-12
4.2.1	Cost estimation by consulting experts	4-13
4.2.2	Cost determination by cost indicators and cost indicators systems	4-13
4.2.2.1	“Kilogram Cost Method”	4-13
4.2.2.2	Cost indicators based on standard structures	4-14
4.2.2.3	Premises for the use of project cost data base	4-16
4.2.3	Parametric cost estimations	4-16
4.2.3.1	Example of parametric cost estimation	4-16
4.2.3.2	Model COCOMO e.g. in IT-Sector	4-17
4.2.3.3	Function point method	4-17
4.3	Accompanying monitoring of costs	4-17
4.3.1	Monitoring Costs Alternative 1: Basic version	4-18
4.3.2	Monitoring Costs Alternative 2: Reduced De-Luxe-Version	4-19
4.3.3	Monitoring Costs Alternative 3: De-Luxe-Version	4-19

Chapter 5: Scheduling duration and target dates

Index

5	Scheduling duration and target dates	5-1
5.1	Sequential planning and time scheduling	5-1
5.1.1	From the work breakdown structure to sequence planning	5-1
5.1.2	Steps of sequential planning and time scheduling	5-1
5.1.3	Available techniques of sequence planning and time scheduling	5-2
5.2	Theory of Graphs	5-2
5.3	Scheduling on time axis	5-5
5.3.1	Production planning	5-6
5.3.2	Sequential planning	5-6
5.3.2.1	Activity	5-6
5.3.2.2	Event	5-7
5.3.2.3	Relationship	5-7
5.3.3	Target date planning	5-8
5.4	Representations of Schedules	5-8
5.4.1	Gantt-Diagram	5-8
5.4.2	Path-Time-Diagram	5-9
5.4.3	Network Diagram	5-12
5.5	Network Plans	5-13
5.5.1	Event Node Network plan	5-13
5.5.2	Activity Arrow Network Plan	5-13
5.5.3	Activity Node Network Plan	5-14
5.5.4	Decision Network Plan	5-15
5.6	Network plan technique	5-16
5.6.1	Determination of Ranks (Causal Sequence)	5-16
5.6.1.1	Tabular elaboration of Ranks	5-17
5.6.1.2	Algorithm of Ford	5-18
5.6.2	Assignment of Dates	5-22
5.6.2.1	Forward calculation	5-22
5.6.2.2	Backward calculation	5-23
5.6.2.3	Floats	5-24
5.6.2.4	Critical Path	5-26
5.7	Fuzzy Networks	5-26
5.7.1	Mathematical Modelling	5-27
5.7.2	Relationships	5-28
5.7.3	Combined Relationships	5-30
5.7.4	Potential of Preference	5-31
5.7.5	Fuzziness in the Optimisation Procedure	5-33
5.7.6	Optimisation Algorithm Sequence	5-34
5.7.7	Perspective	5-37