Unilever Project Management Development Programme

Project Management Handbook
(v. 3.0)

"We are engaged on a journey to achieve excellence through innovative, market leading products and services, backed up by world class practices. Effective Project and Programme Management is a key enabler of this change process.

We need projects that deliver the agreed business benefits on-time and within budget, time after time. This is best achieved by maintaining a clear focus on the business objectives of the project and through the application of commonly accepted tools, techniques and methods.

The aim must be to provide our Project Managers with simple processes that can be rigorously and consistently applied to produce predictable results. I am determined that project managers within Unilever have access to the knowledge and techniques that enable excellence of service delivery. This handbook and the associated learning programme has been designed with that aim in mind and sets out the approach that is to be adopted for the management of all Unilever IT related projects."

Neil Cameron, Unilever CIO

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INTRODUCTION

This document sets out the conclusions of a series of Project Management workshops and interviews, and subsequent feedback. In doing so, it describes an approach to Project Management, which is recommended for use in Project Management assignments. It is a generic approach based upon accepted professional practice and as such it is applicable to any project conducted within Unilever.

The approach identifies and describes processes and techniques currently considered to be accepted practice in the Project Management environment. It is based on a number of existing Project Management systems, which have proved over time to be highly successful. It is compatible with the Unilever IPM portfolio management method, the Project Management Bodies of Knowledge (PMBOK) published by the Association for Project Management (APM) and the Project Management Institute (PMI) and with the PRINCE2 methodology.

What's it all about?

The aim of this handbook is to increase the success rate of projects and help project teams work more effectively by promoting best practice in Project Management. As with any approach, it is not meant to be a 'tablet of stone'. The depth to which any of the proposed processes and techniques is developed will vary according to the conditions that prevail. Smaller projects may not require, for example, detailed network analysis, therefore it remains for the Project Manager to decide what is and what is not appropriate, there is no substitute for sound judgement and professional experience.

What it contains?

Knowledge about Project Management can be organised in many ways. This handbook has four major sections, as described below:

- **Section I - Project Management Framework:** The section clarifies what do we mean by Projects and Project Management, and how Project Management is related to other business strategy implementation endeavours (e.g. Portfolios and Programmes). Besides, this section sets out the lifecycle phases that are common to all projects. It describes the activities you must complete within each phase, which when applied rigorously, have been proven to be instrumental in bringing projects to a successful conclusion. Finally it sets out the project governance and control structures that need to be in place to ensure that the business can exercise appropriate oversight of the project whilst at the same time providing the support and guidance that the project manager needs to be successful.
- **Section II - Project Management Techniques:** This section provides detailed guidance on a collection of techniques that are key for the management of projects. These techniques are Change Control, Scope Management, Time Management, Cost and Budget Management, Quality Management, Risk Management, Human Resources Management, Stakeholder Management, Communications Management, Progress Reporting and Procurement Management.
- **Section III - Project Management Glossary of Terms:** This section summarises in a comprehensive glossary all the key Project Management terms that are used throughout the handbook.
- **Section IV - Project Management Templates:** This section includes a set of templates to support various project activities. These templates are Project Charter, Project Contract, Launch Proposal, Risk Log, Project Issue Report, Change Log, Change Request, Progress (and Exception) Report, Customer Acceptance and Post Implementation Review.

How to use it?

The handbook can be used in two different ways:

- You can use it as a **Toolbox**. Just dip in and select the tool or template you need to do the job.
- You can use it as a **Cookbook** to guide you through your project step by step. For each phase there is a guide to the documents, showing how they relate to the tasks you will need to complete.

SECTION I:
PROJECT MANAGEMENT FRAMEWORK

1.1. What do we mean by Projects?

Organisations perform work. Work generally involves either operations or projects, although the two may overlap. Projects are often implemented as a means of achieving an organisation's strategic plan. Operations and projects differ primarily in that operations are ongoing and repetitive while projects are temporary and unique.

A project can thus be defined in terms of its distinctive characteristics, as follows:

> ***A PROJECT IS A TEMPORARY ENDEAVOUR UNDERTAKEN TO CREATE A UNIQUE PRODUCT OR SERVICE***
>
> *PMBoK 2000 edition*

- **Temporary:** Temporary means that every project has a definite beginning and a definite end. The end is reached when the project's objectives have been achieved, or when it becomes clear that the project objectives will not or cannot be met, or the need for the project no longer exists and the project is terminated. Temporary does not necessarily mean short in duration; many projects last for several years. In every case, however, the duration of a project is finite; projects are not ongoing efforts.

- **Unique Product, Service, or Result:** Projects involve doing something that has not been done before and which is, therefore, unique. A product or service may be unique even if the category to which it belongs is large. For example, many thousands of office buildings have been developed, but each individual facility is unique—different owner, different design, different location, different contractors, and so on.

- **Progressive Elaboration:** Progressive elaboration is a characteristic of projects that integrates the concepts of temporary and unique. Because the product of each project is unique, the characteristics that distinguish the product or service must be progressively elaborated. Progressively means "proceeding in steps; continuing steadily by increments," while elaborated means "worked out with care and detail; developed thoroughly". These distinguishing characteristics will be broadly defined early in the project, and will be made more explicit and detailed as the project team develops a better and more complete understanding of the product.

The project is a very common way of implementing change and as such it has a very wide range of outcomes, which can be tangible and/or intangible. Projects and project management operate in an environment broader than that of the project itself. The project management team must understand this broader context—managing the day-to-day activities of the project is necessary for success but not sufficient.

In spite of their diverse nature, all projects have common characteristics. These are:
- A set of inter-related tasks
- A specific objective and scope
- Defined outcomes and end-points
- A definite start and finish
- Involve people and a number of different resources
- Are in some way unique
- Are concerned with change

Examples of projects include:
- Developing a new product or service.
- Effecting a change in structure, staffing, or style of an organisation.

- Designing a new transportation vehicle.
- Developing or acquiring a new or modified information system.
- Constructing a building or facility.
- Building a water system for a community in a developing country.
- Running a campaign for political office.
- Implementing a new business procedure or process.

1.2. What Is Project Management?

Although mankind has been building things since the beginnings of time, the profession of Project Management is relatively new and the tools and techniques that now form the basis of common practice have mostly been introduced since the 1950's. Project work is always new and often innovative therefore, we are constantly working under conditions of uncertainty; the tools at our disposal have been designed specifically to help eliminate or control uncertainty, to deal with complexity and to track and report accurately on progress. Anyway,

- *What is the difference between project management and managing in general?*
- *Aren't they really the same?*

The answer, of course, is no. A project is done only once, whereas most jobs are on-going or repetitive, and managing one-time jobs is different from managing on-going ones. For one thing, the people who work on a project may be reassigned to other jobs once the project is completed, so the team is temporary. Often the Team Members do not report to the Project Manager on a regular basis, meaning that the Project Manager has no direct authority over them.

Something that separates project management from normal management is the need for and the emphasis on planning. Simply because the Project Management Team is following a new path, they must think ahead all the time. They are continually faced with decisions about the route ahead and must plan for events that are long distant in the future. Hence, there is a formula for Project Management:

```
MANAGEMENT
+
PLANNING
=
PROJECT MANAGEMENT
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There are differences in the way managers manage in the project environment compared with the normal work environment, which result precisely from the demands of that environment. For example, teams are often flung together at short notice and need to get down to work quickly; therefore team management requires greater consideration in project management than in normal conditions.

Most managers plan ahead, but in Project Management, planning is the driving force. Behind every successful project there is a successful plan. To get to grips with project management, we have to get to grips with project planning. The plan must be comprehensive, it must be communicated and it must form the basis of control.

The project team manages the work of the projects, and the work typically involves:
- Competing demands for scope, time, cost, risk, and quality
- Stakeholders with differing needs and expectations
- Identified requirements.

> **PROJECT MANAGEMENT IS THE APPLICATION OF KNOWLEDGE, SKILLS, TOOLS, AND TECHNIQUES TO PROJECT ACTIVITIES TO MEET PROJECT REQUIREMENTS.**
> *PMBoK 2000 edition*

Project management is accomplished through the use of the processes such as: initiating, planning, executing, controlling, and closing. It is important to note that many of the processes within project management are iterative in nature. This is in part due to the existence of and the necessity for progressive elaboration in a project throughout the project lifecycle; i.e., the more you know about your project, the better you are able to manage it.

The key elements of any project management system are: planning, controlling against the plan and managing the resources specified in the plan. There are a variety of techniques that can be employed to help with these. The larger and more complex a project becomes the more likely to rigorously apply them, as follows:

- **Planning:** Before any project begins it should be planned. This planning stage is vital if the project is to be properly controlled later on. It is sometimes difficult at the outset to persuade people that they should spend time and effort planning, especially when they have been used to working in an ad hoc manner in the past. However,

> TIME SPENT PLANNING A PROJECT SAVES TIME LATER AND ALLOWS THE PROJECT MANAGER TO ESTABLISH WHAT IS TO BE DONE, WHEN, WHERE AND BY WHOM

- **Control:** The Project Manager and his team are only able to control the project when it has been planned. The control factors involve ensuring that a good reporting structure is in place and working effectively. The team can be certain that each stage is lined up and ready to begin at the appropriate time. This is done by keeping regular checks on whether the project schedules are being adhered to, dealing with problems in good time, and making adjustments to resources or timescales where necessary.

- **Management Skills:** In carrying out the planning and control elements of a project, a variety of management skills are involved. Some of these are general management tools that should be practised by any good manager. These include:
  - good communications with the team members
  - accurate budgeting and cost control mechanisms
  - effective team building and human interrelationships
  - problem solving and decision making skills

1.3. Why do we need a Project Management Method?

As we have already seen, projects by their nature involve doing things that are new and different. Whenever we embark upon new ways of doing things we are introducing uncertainty and risk and as uncertainty increases so does the possibility of error and / or failure. It is worth remembering the old adage:

"If things can go wrong, they will."

It is not surprising then that projects experience significantly higher error and failure rates than are associated with business as usual operational management. However, we now have sufficient experience and evidence to be able to predict the key points of failure and to put in place practices and structures that can dramatically reduce the likelihood of failure occurring.

In many cases of project failure the causes of the failure can be traced back to actions or decisions that were taken at or before the start of the project. In these cases the project was doomed from birth. Rigorous project selection procedures linked to solid business sponsorship and clear business

justification can effectively eliminate this cause of failure. In Unilever the IPM portfolio management funnel process serves this purpose. It ensures that we only progress those projects that are clearly linked to business strategy and have proactive and on-going business sponsorship. Within the project management method there are further management structures that enable business management to have clear sight of the conduct of the project and maintain the lines of responsibility and decision making that ensure that projects are constantly aligned to business needs.

Within the conduct of the project the main factors that contribute to project failure are:
- Poor definition and/or control of scope
- Poor or inappropriate level of planning
- Poor estimating of the effort required to complete tasks
- Poor allocation or inappropriate use of resources
- Lack of understanding of the nature of risk and poor management of risk
- Uncontrolled or inappropriate change control practices
- Poor or non existent reporting of progress against schedule and budget

The content of this handbook has been specifically designed to counteract the root causes of the above problems. The Project Manager can therefore have confidence that this method, if followed and rigorously applied, will lead to successful outcomes.

1.4. Relationship between Project Management and General Management

Much of the knowledge needed to manage projects is unique to project management (e.g., critical path analysis and work breakdown structures). However, project management does overlap other management disciplines.

The Project Manager requires excellent professional skills in order to be able to plan, execute and control the day-to-day activity of the project. But he/she must also possess good people management and influencing skills to be able to motivate and lead a team of professional with different but complementary skill sets. He/she must have the communication skills to drive forward the project whilst keeping all stakeholders fully informed and aligned with the objectives of the project. In addition, he/she has to have the energy, drive, vision and leadership skills to inspire a team of people to head off into the unknown. The path is new and unclear, but the objectives will be clear.

General management is a broad subject dealing with every aspect of managing an ongoing enterprise. It encompasses planning, organising, staffing, executing, and controlling the operations of an ongoing enterprise. General management also includes supporting disciplines such as law, strategic planning, logistics, and human resources management.

General management skills provide much of the foundation for building project management skills. They are often essential for the project manager. On any given project, skill in any number of general management areas may be required. Key general management skills that are highly likely to affect most projects are:
- Leading
- Communicating
- Negotiating
- Problem Solving
- Influencing the organisation

1.5. The Project Management Lifecycle

A project has a beginning, middle and end, and can usefully be based around the concept of a lifecycle. Because projects are unique undertakings, they involve a degree of uncertainty. Organisations performing projects will usually divide each project into several project phases to

improve management control and provide for links to the ongoing operations of the performing organisation. Collectively, the project phases constitute the project lifecycle.

Each project phase is marked by completion of one or more deliverables. A deliverable is a tangible, verifiable work product such as a feasibility study, a detail design, or a working prototype. The deliverables, and hence the phases, are part of a generally sequential logic designed to ensure proper definition of the product of the project.

Finally, the conclusion of a project phase is generally marked by a review of both key deliverables and project performance to date. These phase-end reviews are called stage gates.

As shown in Figure 1, all projects regardless of their nature include the following **Four Phases:** an Initiation Phase, a Planning Phase, an Execution Phase and a Closure Phase. In broad terms,
- The **Initiation Phase** defines WHAT. It includes the Objective, Scope, Assumptions and Constraints of the project.
- The **Planning Phase** defines HOW. It is the project plan, and includes activities, tasks, responsibilities, time and resources.
- The **Execution Phase** is DOING IT. All activities needed to achieve the project objective are carried out. This phase may vary significantly from project to project depending upon the nature of the deliverables and may have its own unique lifecycle.
- The **Closure Phase** involves moving the project forward to its on-going/running status, recording/sharing lessons learnt and completing the administrative paperwork.

Besides, there is a process that spans all phases:
- **Control Process** (often only associated with the execution phase)
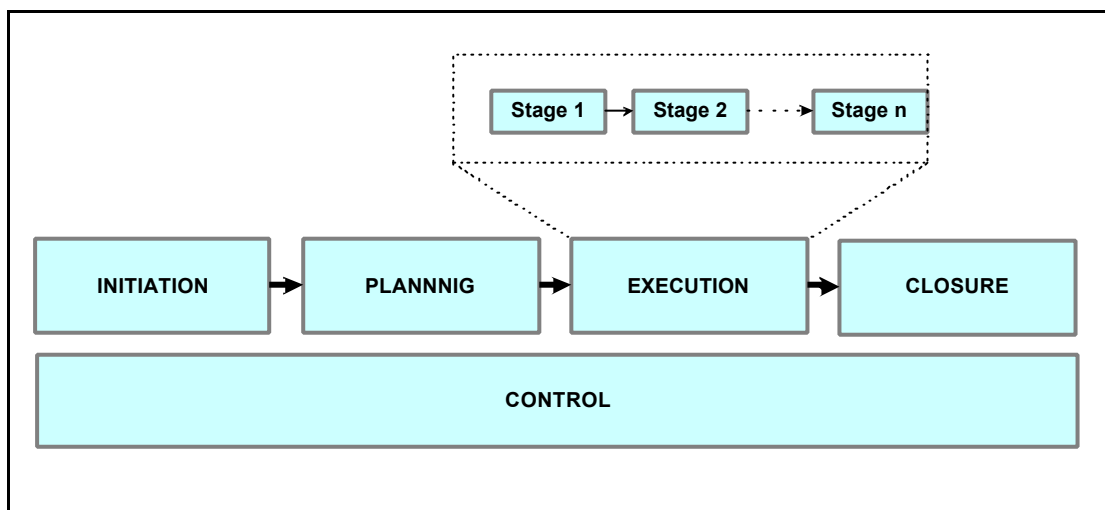
Figure 1: The Project Management Lifecycle

The project lifecycle definition will also determine which transitional actions at the beginning and the end of the project are included and which are not. In this manner, the project lifecycle definition can be used to link the project to the ongoing operations of the performing organisation.

Deliverables from the preceding phase are usually approved before work starts on the next phase. However, a subsequent phase is sometimes begun prior to approval of the previous phase deliverables when the risks involved are deemed acceptable. This practice of overlapping phases is often called fast tracking.

Certain types of endeavours are closely related to projects. There is often a hierarchy of strategic plan, portfolio, programme and project. These related undertakings, which contribute to the achievement of a strategic plan, are described below.
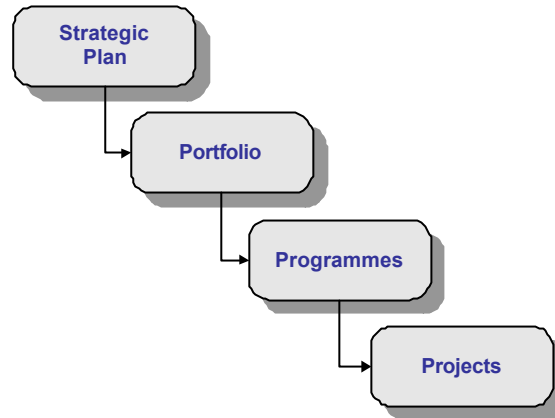
Figure 2: Business strategy implementation hierarchy

2.1. What do we mean by Programme and Programme Management?

Programme: A programme is a set of related but dissimilar projects, managed as a single environment with the purpose of producing outcomes that facilitate change. Outcomes are the effects of change and should form the vision for the programme. To achieve the desired outcomes active management of the change process is required and will, in addition to the delivery of the technical outputs, generally include aspects of transforming behaviour, attitudes and ways of working.

A PROGRAMME IS A GROUP OF PROJECTS MANAGED IN A CO-ORDINATED WAY TO OBTAIN BENEFITS NOT AVAILABLE FROM MANAGING THEM INDIVIDUALLY
PMBoK 2000 Edition

Programme Management: Programme management is a set of, processes, inputs, outputs, organisational structures and ways of thinking that provides a framework within which appropriately qualified and experience people can deliver change whilst coping with complexity, risks, problems and challenges.

In some application areas, programme management and project management are treated as synonyms; in others, project management is a subset of programme management. This diversity of meaning makes it imperative that any discussion of programme management versus project management be preceded by agreement on a clear and consistent definition of each term.

2.2. What do we mean by Portfolio and Portfolio Management?

Portfolio: A Portfolio of projects is a grouping of projects, which do not have a common goal, but have something else in common, e.g. a similar business context, or shared resource pool.

Portfolio Management: Portfolio Management is about prioritisation of all projects, related or unrelated, undertaken by an organisation. These may be divided into functional areas e.g. IT, Supply Chain, HR.

PORTFOLIO MANAGEMENT REFERS TO THE SELECTION AND SUPPORT OF PROJECTS OR PROGRAMME INVESTMENTS, GUIDED BY THE STRATEGIC PLAN OF THE ORGANISATION AND AVAILABLE RESOURCES

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Portfolio Management is of interest to decision-makers because it gives them a total view of all the initiatives taking place across the organisation. This ensures that the organisation remains focussed on what is important, helps avoid duplication and informs strategic decision-making.

Portfolio Management is about more than running multiple projects. Each portfolio of projects needs to be assessed in terms of its business value and adherence to strategy. The portfolio should be designed to achieve a defined business objective or benefit.

While at individual project level it is important to know how each project is performing, the impact of each project on the portfolio is just as important.

The core part of the Portfolio Management is a project evaluation process. This process is used to evaluate the projects at various points during their lifecycle. At the beginning of each stage, called a Gate, the responsible party evaluates the project, checking whether it is still relevant and able to deliver the defined organisational objectives. If the answer is no, then the project should be stopped. This way the organisation can ensure that they stay focussed on delivering a strategy, goal or other defined benefit and that resources are deployed where they will offer the best return.

2.3. The Link to the Unilever IPM Funnel

The IPM (Innovation Process Management) funnel is the Unilever standard process for evaluating ideas from around the business. It is based upon a "Stage and Gate" whereby ideas are passed through a series of stages, each representing an increasing level of understanding and detail, and then subjecting the ideas to a series of decision gates in order to assess their value and relevance to the business.

Projects in the IPM Funnel progress through five phases of development from the initial idea through to rollout, as depicted in Figure 3 overleaf. The end of each phase is marked by a completed gate document submitted to the gatekeeper(s) for review. The gate document records the project activity during the phase and presents a case for the project's continued progress. Gatekeepers are called upon to make decisions at four points in the life of a project.

Charter, Contract, and Launch gates are decision gates to evaluate if the project meets the set criteria to progress to the next stage. The Launch gate is concerned with ensuring the quality and viability of the project deliverables. Large projects spanning several countries may have repeat execution phases (either Launch, or both Capability and Launch), where the performance of each successive phase is evaluated before beginning the subsequent phase. A collection of phases is

sometimes called Rollout, but best practice demands gates at the beginning and end of each execution phase. This is always the case where different gatekeepers are involved (i.e. a country project board).
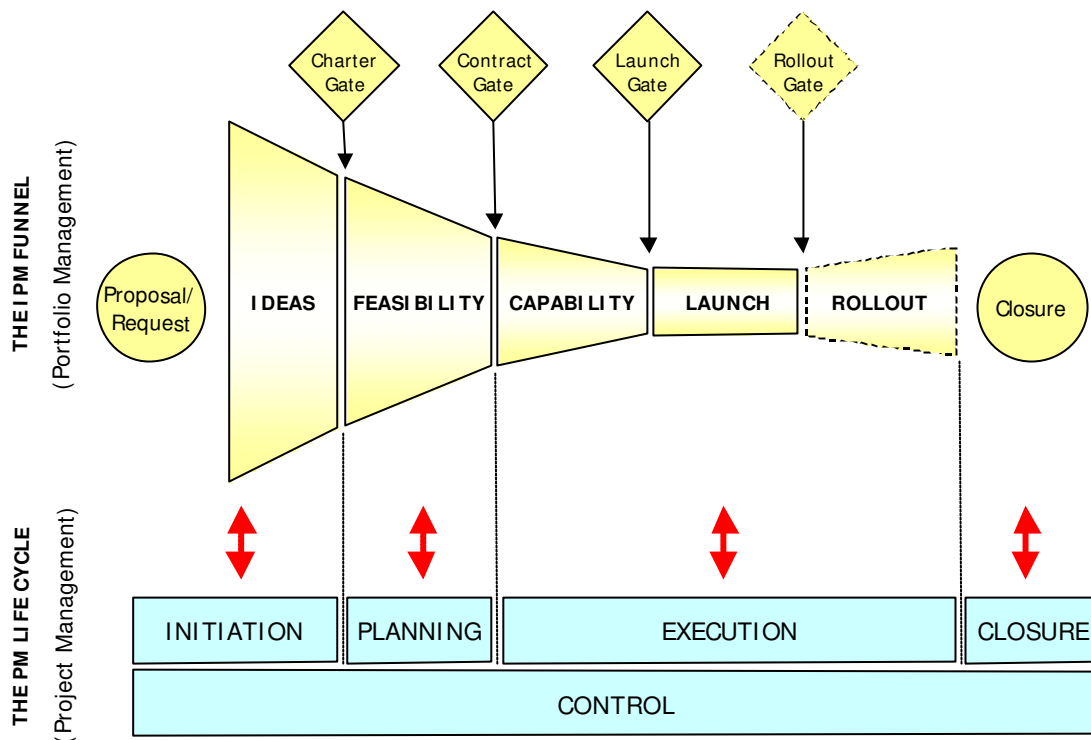
Figure 3: Mapping the IPM Funnel to the Project Lifecycle

As discussed earlier many projects that experience problems do so as a direct result of getting off to a poor start; the project is either ill conceived with little business relevance or ill defined in terms of aims and objectives, scope, risks etc. The IPM funnel overcomes this problem in that the ideas stage of the funnel ensures that the project is indeed relevant to the business, has appropriate business sponsorship and is supported by a business case.

Figure 3 shows how the Project Management lifecycle maps against the stages and decision gates of the IPM funnel. However, when preparing the work for a stage of a particularly large project or programme you may find it helpful to think in terms of applying the whole project management lifecycle within a single stage of the IPM process. For instance the IPM Launch stage of a SAP roll out would likely involve many people and require significant management effort. It will be necessary to initiate this activity, to plan what must be done, to execute against the plan, to close out the stage in preparation for rollout and to control against the plan. In this sense the project manager treats the task as a project within a project. This approach is known as Rolling Planning.

IMPORTANT: The IPM funnel is a Portfolio Management process which key purpose is to control risk vs. opportunity. It recognises that in an innovation process lots of ideas are screened in the expectation that many will fail. By contrast, the purpose of the Project Management method is to manage agreed projects effectively and efficiently throughout its lifecycle. However, since both Project Management and Portfolio Management are closely related, we should not define one without considering the other. The IPM funnel is not a Project Management method. Whilst there are obviously many points of contact between them, we should never forget that they exist for fundamentally different goals. Both processes are complementary. They sit side by side.

The governance structure and governance roles are used to support the decision-making processes and provide standard escalation paths with the minimum of effort. They are used within each lifecycle phase to support the decision-making required to support effective IPM gate reviews.

3.1. Governance Structure

Decision-making levels within the Governance Structure are defined as a simple 3-tier model consisting of:

1. **Executive Level:** A first tier comprising <u>Business Sponsorship</u> responsible for project initiation and ultimate signoff
2. **Steering Level:** A second tier group comprising the roles of
   - <u>Gatekeeping</u>, responsible for final decisions at each gate or phase change and for ensuring that the project will deliver the required business benefit
   - <u>Business Management</u>, sponsor's proxy on the ground ensures that the business objectives are met
   - <u>User Representation</u>, representing the user requirements are being met and that fitness of purpose is ensured
3. **Project Level:** A third tier involving the <u>Project Management</u>, responsible for the day-to-day operational and project-level decision and management issues

A supporting group related to a specific <u>Subject Area Expertise</u>, could be appointed by the Project or Steering Level to provide specialist knowledge where this is not available within the project team.
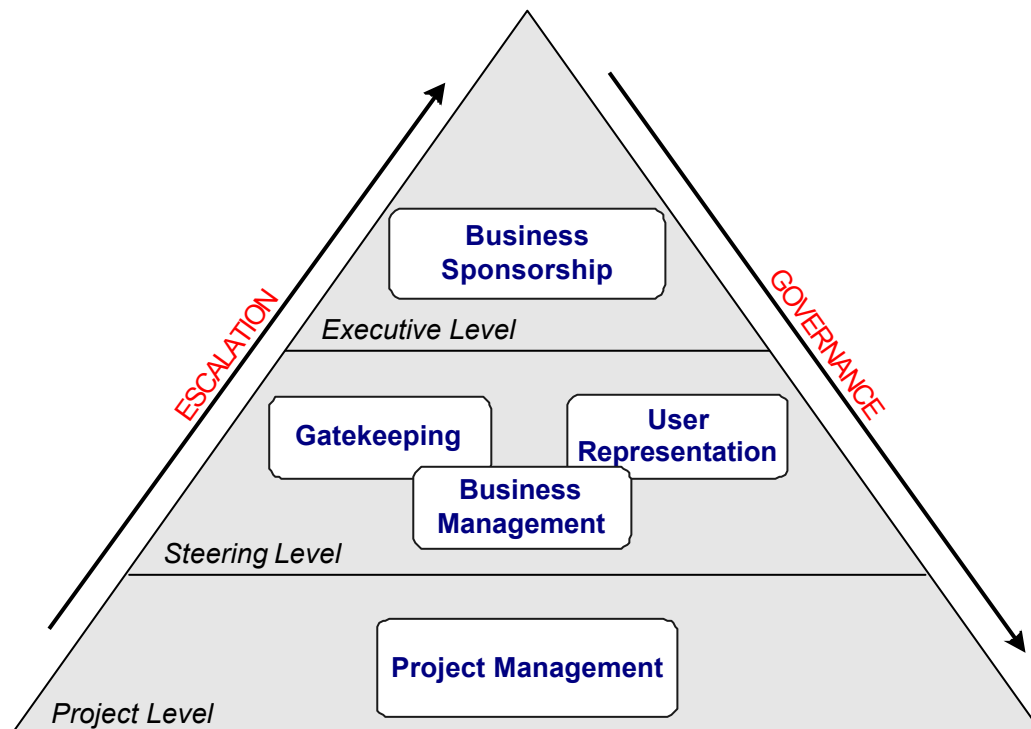
Figure 4: The 3-tier Governance Structure

3.2. Governance Roles

Within the governance structure pictured above, the following **Roles** have been defined:

- **Business Sponsorship (BS) - Mandatory:** The project sponsor is responsible for ensuring that the project is relevant to business needs and offers value for money – this is achieved through a rigorous business case approach to the project. The sponsor authorises the start of the project, releases resources, provides high level steering throughout its life and signs off project deliverables upon project completion. The sponsor is ultimately responsible for the business success of the project and the realisation of planned benefits.

- **Gatekeeping (GK) - Mandatory:** Gatekeepers are tasked with approving or declining projects and verifying each stage in the funnel process. The gatekeeper is responsible for assessing the project from a business case perspective to ensure that it will still deliver the expected benefits and for liasing with appropriate specialists to validate the technical integrity of the project. It is likely that the incumbent of the gatekeeper role will change as the project progresses through the IPM funnel phases.

- **Business Management (BM) - Mandatory:** A business project leader appointed by the project sponsor and empowered to act on their behalf on a daily basis. He/she ensures that the business objectives are fully met by the project plan continuously oversees all project phases and ensures that the project produces the agreed deliverables. The business project leader authorises changes to the project, ensures that the project manager operates within pre-agreed tolerances and provides advice and guidance as required. He/she ensures that the business objectives are met and that plans and structures are put in place to facilitate the realisation of business benefits.

- **User Representation (UR) - Mandatory:** Responsible for liasing on a frequent basis with the project manager to ensure that all user/client requirements have been clearly and completely defined, i.e. that the specified deliverables will meet the users needs. He/she is also responsible for confirming that what is delivered fits for purpose with respect to the initially agreed requirements.

- **Project Management (PM) – Mandatory:** The project manager is responsible for the management and co-ordination of all project resources in the timely completion of agreed deliverables. He/she plans the work, allocates resources, monitors and controls activities, manages risks and issues, operates effective change control procedures, manages the budget, escalates issues, produces progress and other management reports and liases with the client, users representatives and all third parties to ensure that the project performance remains within pre-set tolerances with respect to cost, schedule and quality.

- **Subject Area Expertise (SAE) – Optional as required:** Responsible for providing expertise where this is not readily available to the project team. The subject area expert (e.g. technology experts, lawyers, etc.) can be engaged for a defined period in order to investigate, research and present its findings which will be used to support the decision made by the project team.

Possible combination of roles:
The definitions above indicate clearly those roles that must exist. However, provision should be made in all cases for the responsibilities of the remaining optional roles to be shared or adopted by the incumbent management structure. In small projects, or under special circumstances, the following roles may be combined as follows:
- **Business Sponsorship:** Could also fulfil the role of gatekeeping, business management or user representation. Although it is possible to fulfil all roles simultaneously wherever possible the gatekeeper should be able to act as an independent arbiter of business benefit.
- **Business Management:** Could also fulfil the role of user representation.
- **Gatekeeping:** Could also fulfil the role of user representation.

It is vital to the integrity of the oversight process that the Gatekeeper role is not compromised and that the Gatekeeper can exercise their duties with regard only to the business viability of the project.

3.3. Governance execution

Business Project Leaders and Project Managers are responsible for the timing of gate decisions, the preparation of gate documents and the progression of their projects to the next funnel phase. Once a gate decision has been taken, the gatekeeper approves the relevant gate document and the project moves forward to the next phase.

The decision making process is accompanied by gate documents that contain the information required for the gate in question. The gatekeeper has the following choices:
- **Approve:** To proceed with the project and release to it the resources needed for the next phase.
- **Reject (with conditions):** To request further information and / or to specify a new date on which the project must be presented again at the same gate.
- **Reject (and Terminate)**: To abort the project.
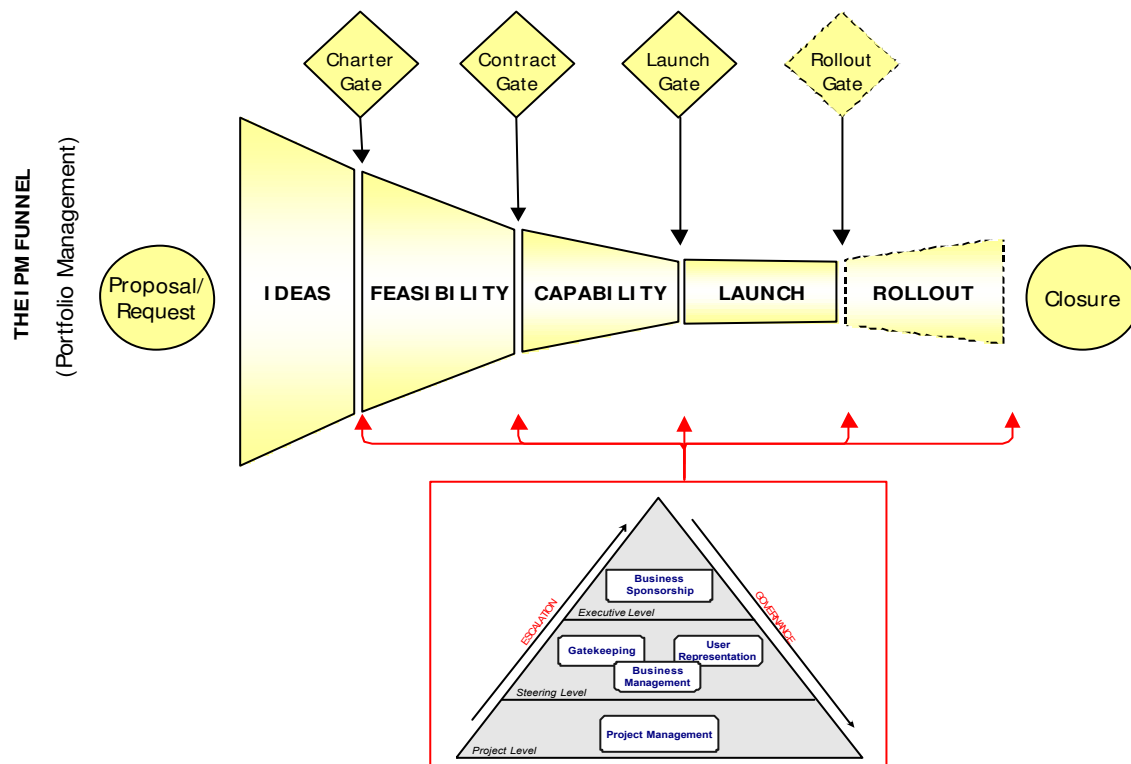
Figure 5: Governance Structure Utilisation

The figure above identifies the planned decision points where governance activities are required from the gatekeeper / business community. The arrows highlight both the timing and activities within the PM methodology as well as the reuse of the governance structures to provide the necessary support for decision-making.

3.4. Project Responsibility Matrix

To aid effective and timely decision making and clear communication it is wise to construct a RACI (Responsible, Accountable, Consult, Inform) matrix for the project. The table below sets out a sample RACI matrix for the major activities and roles that are typically found in Unilever Projects. This should be used just as a starting point for the development of project specific matrix.

PROJECT RESPONSIBILITY MATRIX	Project Mgt.	Business Sponsor.	Business Mgt.	Gate-Keeping	User Repres.	Stake-holders
INITIATION						
Identify Project Background		A	R		C	C
Define Objectives of the project		A	R		C	I
State Project Definition	R	C	A		C	C
Produce outline Business Case	C	A	R		C	I
Identify Approach to realising the solution	R	I	A		C	C
Define outline Project Plan	R	I	A		C	I
Identify Project Organisational Structure	R	C	A		C	C
Produce initial Risk assessment	R	I	A		C	C
Produce outline Quality Plan	R	I	A		C	I
Perform Initial Stakeholders Analysis	R	C	A		C	C
Produce Project Charter	R	I	A	I	C	
PLANNING						
Refine Project Definition	R	I	A		C	C
Refine Business Case	C	A	R		C	I
Refine Approach to realising the solution	R	I	A		C	C
Refine Project Plan	R	I	A		C	I
Update Project Organisational Structure	R	C	A		C	C
Update Risk Assessment	R	I	A		C	C
Produce Quality Plan	R	I	A		C	I
Produce Resource Requirements Plan	R	I	A		C	
Define Project Costs and Timescales	R	I	A			
Refine Stakeholders Analysis	R	C	A		C	C
Develop Communications Plan	R	C	A			
Identify Security aspects to be considered	R	I	A		C	
Produce Project Contract	R	I	A	I	C	
EXECUTION						
Execute the plan	R	I	A			I
Assign work packages	R		A			
Manage quality	R		A		C	
Manage the team	R		A			
Communicate with all stakeholders	R	I	A	I	I	I
Report on progress	R	I	A		I	I
Resolve issues and/or escalate where necessary	R	C	A		I	I
Deal with requests for change	R	C	A		C	C
Manage risk	R	I	A		C	C
Agree Organisational Change Management Plan	R	C	A		C	I
Define Testing Plans	R	I	A		C	
Define Support Team	R	I	A		C	I
Define Service Levels	R	C	A		C	I
Generate project Documentation	R		A		C	
Produce Launch proposal	R	I	A	I	C	
Produce Rollout proposal (optional)	R	I	A	I	C	

CLOSURE						
Gain acceptance of deliverables and record follow-on actions	R	C	C		A	
Perform administrative close down	R	I	A		I	I
Plan and prepare for the Post Implementation Review (PIR)	R	I	A		I	I
Learn and share lessons	R	I	A		I	I
Conduct end of assignment personnel evaluation of resources	R		A			
Celebrate success		A	R			
CONTROL						
Analyse Performance Data	R	I	A		I	
Analyse Progress against Plan and Forecast potential exceptions	R	I	A		I	
Take (or recommend) corrective action where appropriate	R	C	A		C	I
Prepare Reports	R	I	A		I	
Request guidance	R	C	A		C	
Request / conduct peer review of plans and actions	R		A			

R = Responsibility	who has to initiate a task (DOING)
A = Accountability	who is accountable for the final decision / consequences (there can be one, and only one person accountable and may or may not delegate the Responsibility)
C = Consult	who has to be consulted to make the right decision and, feedback has to be given
I = Inform	who should be informed so that other steps/tasks can be prepared/started in time , no feedback is expected

As was explained in Chapter 1, all projects regardless of their nature are based around the concept of a lifecycle that is composed of the following phases:

- **Initiation:** Defines WHAT. It includes the Objective, Scope, Assumptions and Constraints of the project.
- **Planning Phase** defines HOW. It is the project plan, and includes activities, tasks, responsibilities, time and resources.
- **Execution Phase:** All activities needed to achieve the project objective are carried out. This phase may vary significantly from project to project depending upon the nature of the deliverables and may have its own unique lifecycle.
- **Closure Phase:** involves moving the project forward to its on-going/running status

Besides, there is a process that spans all phases:

- **Control Process** (often only associated with the execution phase)

The following table provides an outline of the nature and contents of these phases of the project lifecycle, which details are covered in this chapter.

	INITIATION PHASE	PLANNING PHASE	EXECUTION PHASE	CLOSURE PHASE
ACTIVITIES	• Identify Project Background • Define Objectives of the project • State Project Definition • Produce outline Business Case • Identify Approach to realising the solution • Define outline Project Plan • Identify Project Organisational Structure • Produce initial Risk assessment • Produce outline Quality Plan • Perform initial stakeholders analysis • Produce Project Charter	• Refine Project Definition • Refine Business Case • Refine Approach to realising the solution • Refine Project Plan • Update Project Organisational Structure • Update Risk Assessment • Produce Quality Plan • Produce Resource Requirements Plan • Define Project Costs and Timescales • Refine stakeholders analysis • Develop Communications Plan • Identify Security aspects to be considered • Produce Project Contract	• Execute the plan • Assign work packages • Manage quality • Manage the team • Communicate with all stakeholders • Report on progress • Resolve issues and/or escalate where necessary • Deal with requests for change • Manage risk • Agree Organisational Change Management Plan • Define Testing Plans • Define Support Team • Define Service Levels • Generate project Documentation • Produce Launch proposal • Produce Rollout proposal (optional)	• Gain acceptance of deliverables and record follow-on actions • Perform administrative close down • Plan and prepare for the Post Implementation Review (PIR) • Learn and share lessons • Conduct end of assignment personnel evaluation of resources • Celebrate success
CONTROL PROCESS				
• Analyse Performance Data • Analyse Progress against Plan and Forecast potential exceptions • Take (or recommend) corrective action where appropriate • Prepare Reports • Request guidance • Request / conduct peer review of plans and actions				

4.1. The Project Initiation Phase

The Initiation Phase is composed of a set of activities that ensure the formal start to a project. In doing so it ensures that there is a sufficient and acceptable business case supporting the products to be delivered. Additionally, it defines these products, how these will be delivered and who will be involved in the decision-making of the project lifecycle. It also ensures that the scope is set and that any constraints, risk and assumptions are identified.

An idea for a new project can be generated by any responsible person. Such ideas are submitted for consideration through a pre-project phase. Those ideas that are considered valuable will then be allocated a Business Sponsor who will become accountable for ensuring the proper process of project initiation. Without a sponsor the project cannot be allocated budget or resources.

The Initiation Phase will outline the approach to be used by the project, appoint the project team and management structures, define an initial project plan, initial business case and the first risk log and quality plan.

The sponsor will agree that the project is a necessary requirement to meet one or more objectives and will ensure that budget is allocated. This marks the beginning of the organisation's formal initiation of the project. At this stage a Project Charter will be created and will include an outline of the project to be approved by the gatekeeper.

ACTIVITIES	PM DELIVERABLES
• Identify Project Background	• Project Background (Charter)
• Define Objectives of the project	• Project Objectives (Charter)
• State Project Definition (deliverables, boundaries, assumptions, constraints, interfaces)	• Project Definition (Charter)
• Produce outline Business Case (Benefits,	• Outline Business Case (Charter)

Costs, Investment appraisal)	
• Identify Approach to realising the solution (Buy, Build, Customise, Outsource)	• Approach (Charter)
• Define outline Project Plan	• Outline Project Plan (Charter)
• Identify Project Organisational Structure (governance and potential team members)	• Outline Project Organisational Structure (Charter)
• Produce initial Risk assessment	• Initial Risk Assessment (Charter)
• Produce outline Quality Plan	• Outline Quality plan (Charter)
• Perform initial Stakeholders Analysis	• Initial Stakeholders Analysis (Charter)
• Produce Project Charter	• Project Charter
RELATED TECHNIQUES (see Section II for details)	
• Stakeholder Management • Risk Management • Scope Management • Time Management • Cost and Budget Management • Quality Management • Communications Management	
RELATED TEMPLATES (see Section IV for details)	
• Project Charter	

GUIDANCE ON THE CONDUCT OF ACTIVITIES

- **Identify the Project Background:** Briefly describe the current Business situation and the need for the project. Besides,
  - **Check alignment with strategy:** State how the project contributes to the delivery of business strategy. Especially where IT projects are concerned, it is important to check that the operational infrastructure that is needed by the project is consistent with the current and planned IT architecture and deployed infrastructure.
  - **Check compliance with known financial, security and legislative policies:** If the project is to operate in an area of business that is governed by external legislative arrangement or has specific security requirements the appropriate advice and guidance should be sought at the earliest opportunity. Compliance issues identified at this early stage can often be resolved or highlighted in the risk log as a potential showstopper.
  - **Check for similar problems and solutions within Unilever:** It is not unusual for the same problem or opportunity to arise in various parts of the business. A review of current and completed projects may identify an installed solution with many similar properties and functionality – in which case there is the possibility of re-use and consequential cost savings for the business.

- **Define the Objectives of the project:** State the project objectives. Describe the end-state of the project in terms of desired business outcomes. What does the organisation expect to see/be delivered by the project team? The objectives should be clearly and unambiguously defined (SMART).

- **State the Project Definition:** Briefly state the Project Definition, describing
  - **Deliverables:** State what the organisation expects to see/be delivered by the project team. A high-level deliverables breakdown structure should be produced as well. This allows the products to be identified and described and assists in bounding the scope of the project.
  - **Boundaries:** Specify what is and what is not included within the scope of the project.
  - **Assumptions:** Briefly describe the risks that we are assuming will not happen. Assumptions are statements about the project and its operating environment that, for the purposes of planning, can be assumed to be real and true. Some of these may be resolved during the

subsequent analysis and sign-off procedures. Any remaining assumptions should be treated as project risks.
- **Constraints:** Outline the key limitations e.g. time, resources, budget, infrastructure that will restrict the project.
- **Interfaces:** Briefly describe any inputs or outputs to other systems or business areas.

- **Produce the outline Business Case:** Produce the first cut of the Business Case, identifying:
  - **Benefits:** Identify Business Benefits derived from the project and how they will be measured. These benefits can be tangible or intangible, but wherever possible effort should be made to quantify benefits in terms such as:
    - Increases in revenue
    - Decreases in costs
    - Increases in performance or service delivery.
  - **Costs:** Identify the major Costs associated with the Project. Estimated effort and duration and capital requirements are converted to cost. An outline budget showing the major cost areas and resource usage pattern should be produced. An outline business case that details major area of costs set against expected benefits quantified in monetary terms should be produced for inclusion in the project charter.
  - **Investment appraisal:** Perform an initial estimation of what business value will the project deliver, measured in terms of ROI, NPV, IRR, Payback Period, etc.

- **Identify the Approach to realising the solution**: Identify whether the solution is going to be realised through Buying, Building, Customising or Outsourcing.

- **Define an outline Project Plan:** Define an initial project plan and main milestones. State the way the solution will be established, outlining the key steps that will be taken. Give an indication of target dates or any deadline that must be met. It is necessary to produce an estimate of the likely effort and resource needed to complete the project. With the level of information known this can only be done using top down techniques employing comparison with previously completed and delivered projects of a similar nature and scope (Analogous Estimating). The level of detail to be produced is limited to a milestone chart and outline estimates of effort and duration.

- **Identify the Project Organisational Structure (governance and potential project team members):** Identify named individuals to fill each of the mandatory project governance roles and provide contact details for each of them. Identify the potential project team members together with their roles and contact details.

- **Produce an initial Risk assessment:** A first draft risk brainstorm is all that is required. The purpose is to highlight the major risks that the project will face to ensure that there are no showstoppers. The risk log should be started but will probably be limited to a list of 4 to 10 main areas of risk. Consideration of risk management strategies is probably inappropriate until further analysis has been completed.

- **Produce an outline Quality Plan:** This activity will outline the quality aspects that are required for the project and for its final product/s.

- **Perform initial Stakeholders Analysis:** Identify the major stakeholders who have an interest in the project with the aim of ensuring that we have a complete and accurate view of the required functionality to be supported by the project and the environment within which it will operate. A simple list of names to be interviewed or opinions canvassed is probably sufficient.

- **Produce Project Charter:** As a result of the Initiation Phase, a Project Charter document needs to be produced. The purpose of this document is to provide an initial outline of the problem/opportunity and potential solution. The Charter is a gate document that summarises all the deliverables detailed above.

4.2. The Project Planning Phase

The planning phase of the project sets out what can be achieved, in what timescales and at what cost. It defines how the key variables, such as scope, resources, budget, quality, risk, communications and change will be managed and provides the Project Manager with the opportunity to set realistic expectations.

All projects involve a degree of uncertainty and can only be managed successfully through careful planning. While it is recognised that the plan is not a statement of what will happen it provides a sound base for measuring the impact of events and forms an agreed baseline for all that comes after. In his book "Everest the Hard Way" Chris Bonnington says of planning:

"I was able to cope with these changes even in the rarefied atmosphere of camp 5, because of the depth of planning and thinking earlier on. You can always change and modify a plan, but without one, you have nothing on which a change can be based"

The deliverable is the Project Contract, a composite document defining the purpose of the project, the business case and the required products. It contains a number of sub-plans (Project Plan, Quality Plan, Resource Plan, Communication Plan etc.) and forms the basis of a formal agreement between the Project Manager, the Business Sponsor, the Business Project Leader and Senior Users.

PLANNING PHASE

ACTIVITIES	PM DELIVERABLES
• Refine Project Definition (deliverables, boundaries, assumptions, constraints, interfaces, tolerances)	• Project Definition (Contract)
• Refine Business Case (Benefits, Costs, Investment appraisal)	• Business Case (Contract)
• Refine Approach to realising the solution (Buy, Build, Customise, Outsource)	• Approach (Contract)
• Refine Project Plan (WBS, Gantt, Milestones)	• Project Plan (Contract)

• Update Project Organisational Structure (governance and team members)	• Project Organisational Structure (Contract)
• Update Risk Assessment	• Risks Assessment (Contract) & Risk Log
• Produce Quality Plan	• Quality Plan (Contract)
• Produce Resource Requirements Plan	• Resource Requirements Plan (Contract)
• Define Project Costs and Timescales (Project Cashflow)	• Costs and Timescales (Contract)
	•
• Refine Stakeholders Analysis	• Stakeholder Analysis (Contract)
• Develop Communications Plan	• Communication Plan (Contract)
• Identify Security aspects to be considered	• Security Considerations (Contract)
• Produce Project Contract	• Project Contract

RELATED TECHNIQUES (see Section II for details)

- Stakeholder Management
- Risk Management
- Scope Management
- Time Management
- Cost and Budget Management
- Quality Management
- Communications Management
- Procurement Management (optional based upon Project Approach)

RELATED TEMPLATES (see Section IV for details)

- Project Contract
- Risk Log

GUIDANCE ON THE CONDUCT OF ACTIVITIES

- **Refine the Project Definition:** Once the project has progressed beyond the Charter Gate it is important to invest more time in understanding the project deliverables, boundaries, assumptions, constraints and interfaces. Besides, the **Project Tolerances** should have been agreed with the Business Project Leader. These define the Project Managers decision-making autonomy on a day-to-day basis with regard to the conduct of the project and the authorisation levels for change within the project. It is wise to review these once detailed planning is completed and before commencing the execution phase of the project.

- **Refine the Business Case:** As detail emerges during the planning phase it will be possible to revisit the business case and refine estimates, add further detail about proposed costs and more accurately estimate the business benefits. During the planning phase it should be clearly stated:
  - What are the benefits derived from the project and how they will be measured
  - What are the costs associated with the project and their phasing throughout the lifecycle
  - What business value will the project deliver, measured in terms of ROI, NPV, Payback Period, etc.

- **Refine the Approach to realising the solution**: It is going to be around Buying, Building, Customising or Outsourcing? Provide outline details of the **Procurement Plan**. Procurement planning is the process of deciding which elements of the project, if any, would best be provided through external procurement. It identifies what should be procured, how it will be procured and at what points in the project lifecycle procurement will take place.

- **Refine the Project Plan:** The planning in Initiation will have provided the guideline figures for costs and timescales in order to decide whether the project should be pursued beyond the Charter Gate. At this stage it is necessary to plan the next phase of the project in detail and review the guideline figures for the rest of the project. This will involve:
  - Identifying the detail tasks in the next phase
  - Identifying dependencies between tasks

- Estimating the effort and duration for each task
- Creating a PERT chart (network analysis) and identify the critical path
- Developing a schedule and GANTT chart
- Assigning resources and carry out resource smoothing
- Refining the overall project estimates

- **Update the Project Organisational Structure** (governance and team members)**:** Update the Project Organisational Structure, outlined during the Initiation phase, with the details of the individuals that have a role in the project governance structure, as well as the project team members.

- **Update the Risk Assessment:** We should add newly identified risks and / or eliminate risks that have been resolved. Conduct detailed risk analysis, determine mitigating and contingent actions and, where necessary, included them in the plan through the development of a Risk Log.

- **Produce a Quality Plan:** This activity will identify the quality management tasks to be undertaken together with appropriate roles and responsibilities. It involves:
  - Quality Processes (how the project quality be measured and assured)
  - Controls (including reference to third party information)
  - Quality Assurance Responsible People (to be shown in the Organisation Structure)
  - Key Quality Acceptance Criteria
  - Customer Quality Expectations
  - Specific Requirements
  - Support Requirements
  - Testing Strategy

- **Produce a Resource Requirements Plan:** Detail the resources that will be required throughout the project. The resource requirement plan should contain details such as resource name, role, expected contribution, timing and related costs.

- **Define Project Costs and Timetables (Project Cashflow):** At this stage the project budget will be produced. This will be in detail for the next phase and will identify Capital and Expense items by Item Heads and accounting periods.

- **Refine Stakeholders Analysis:** As the analysis proceeds additional stakeholders will be identified and it will also be necessary to add information about each stakeholders power, position and priority with regard to the project. Understanding the attitude of key stakeholders to the project will assist in communications planning, managing expectations and the development of management strategies.

- **Develop a Communications Plan:** This plan will draw heavily on the stakeholder analysis to target communication and to provide guidance on the information needs of the various communities. The communication plan should be composed of a list of stakeholders that need to be contacted, the information they need, the frequency of the communication, and its method.

- **Identify the Security aspects to be considered:** Security planning needs to consider control of access, confidentiality and availability of project and business data. Besides, it needs to consider back-up and business continuity procedures in the event of a disaster (disaster recovery plan).

- **Produce Project Contract:** The Project Contract is a composite document that represents a formal agreement between the key stakeholders. It forms the basis for all subsequent project decisions and is subject to change control. The Project Contract is a gate document in which the final solution it is proposed. It states as well all the related plans that will be executed in the following phase (Execution Phase)

4.3. The Project Execution Phase

This is the phase of the project that is dedicated to producing the tangible deliverables specified and agreed in the project contract. It directly maps against <u>three</u> stages and <u>two</u> decision gates of the IPM funnel.

The Execution phase of the project lifecycle is largely concerned with the doing and monitoring of the actual work needed to develop and bring to market (implement) the agreed project products. It is therefore the only phase of the project where the nature and order of activities will vary depending upon the type of work to be done. For instance the execution phase of a construction project would comprise different elements than that of a marketing or IT software development project.

Having planned the work it is now important that the Project Manager works the plan. Therefore during the execution phase the Project Manager is primarily concerned with assigning work packages to appropriately qualified resources and monitoring the completion of those packages thus keeping the project on track. Projects never run completely to plan so the PM must remain flexible and alert to developments in the project team, the user community and the sponsoring business unit, dealing promptly with situations that could lead to the project missing deadlines, this includes re-planning where necessary.

The Project Manager must have the authority and autonomy to make day to day decisions to keep the project on track but there should be bounds upon this authority. These bounds are generally described in terms of tolerance to flex the project schedule and/or budget. It is therefore important that the PM produces regular and accurate reports that show actual progress against planned activity and forecasts project out-turns based upon current levels of performance. Whenever a Project Manager forecasts that tolerances may be exceeded in the next reporting period he should highlight this to the project steering group and produce an exception report.

It is during the Execution phase of the project that most of the requests for change are likely to be registered. It is critical that the Project Manager exercises firm control over the authorisation of change and must instil in the project team members that all requests for change, no matter how apparently minor or trivial, are subject to the same disciplined process. For details on the conduct of Change Control see Chapter 5 - The Change Control Technique.

Execution of IT related project

In software development it is common practice to adopt a Systems Development Lifecycle (SDLC), such as the Waterfall Method or the Dynamic System Development Method (DSDM), to help structure the approach to the work. It must be clearly understood that these SDLCs in no way replace or supplant the need for the rigorous application of the project management method, they merely provide guidance on how best to conduct the specific tasks involved in the analysis, design, development, testing, implementation and roll out of a software application.

The choice of SDLC will be driven by considerations of the type of involved development. Whatever the lifecycle adopted, it is very likely that:

Detailed design, development and testing will equate to the And lead up to	IPM Capability stage Launch Gate
Implementation will equate to the And lead to	IPM Launch stage Roll out gate
Implementation in other business units or regions will equate to	IPM Roll out stage

EXECUTION PHASE
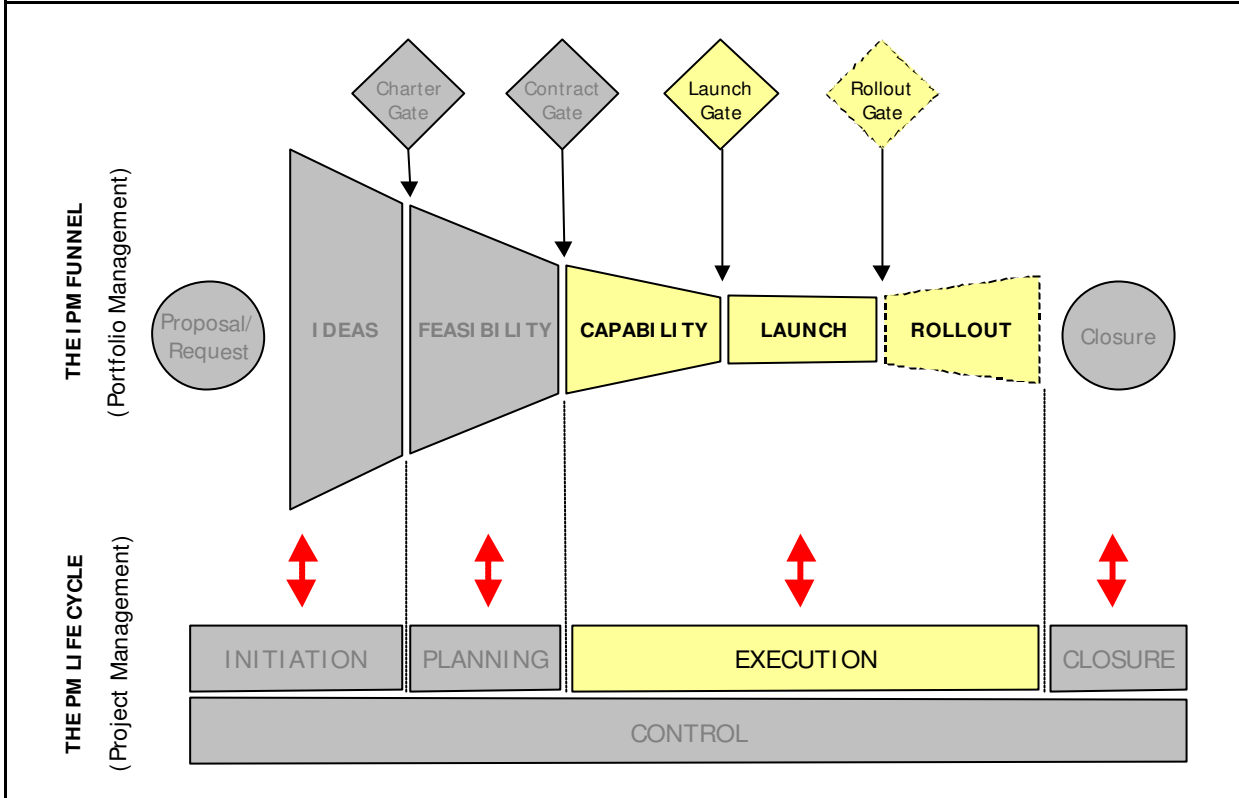
ACTIVITIES	PM DELIVERABLES
• Execute the plan	-
• Assign work packages	-
• Manage quality	-
• Manage the team	-
• Communicate with all stakeholders	-
• Report on progress	• Progress Report; Exception Report
• Resolve issues and/or escalate where necessary	• Project Issue Report
• Deal with requests for change	• Change Requests; Change Log
• Manage risk	• Risk Log; Project Issue Report
• Agree Organisational Change Management Plan	• Organisational Change Management Plan (Launch Proposal)
• Define Testing Plans	• Testing Plan (Launch Proposal)
• Define Support Team	• Support Team (Launch Proposal)
• Define Service Levels	• Service Levels (Launch Proposal)
• Generate project Documentation (technical & user)	• Documentation
• Produce Launch proposal	• Launch Proposal
• Produce Rollout proposal (optional)	• Rollout Proposal

RELATED TECHNIQUES (see Section II for details)

- Risk Management
- Communications management
- Stakeholder management
- Scope Management
- Time Management
- Cost and Budget Management
- Quality Management
- Procurement Management
- Progress Reporting

RELATED TEMPLATES (see Section IV for details)

- Progress Report
- Exception Report
- Project Issue Report
- Change Request
- Change Log
- Risk Log
- Launch Proposal
- Rollout Proposal

Guidance on Conducting the Activities

- **Execute the plan:** The plan will identify the major milestones of the project but should ideally have been developed to a level where each individual work packages represent no more than 1 or 2 people working for no more than about 4 or 5 days. This is essential as the larger the work packages the greater the time lapse before the PM can start to recognise that things are slipping. The PM should have identified those tasks / work packages that are on the critical path and should pay particular attention to these as any slippage will adversely affect the project completion date.

- **Assign work packages:** The PM should monitor the use and availability of resource and assign work packages to available and appropriately qualified resource. When assigning tasks that or on the critical path the Project Manager should wherever possible avoid multitasking or using inexperienced resource. Tasks should only be considered to be complete when they have passed quality review and been accepted by the user representative.

- **Manage quality:** The PM must ensure that procedures set out in the quality plan are followed and that deliverables meet the requirements set out in product descriptions and are fit for purpose.

- **Manage the team:** Project teams are invariably thrown together at short notice, are staffed with borrowed resources and have multiple calls upon their time and loyalty. The PM will need to exercise constant vigilance and considerable tact and skill to produce an effective team that works to optimum performance.

- **Communicate with all stakeholders:** It is essential that the PM maintain open and constant communication with his team, the business sponsors, the user community and any other relevant stakeholders. Most PM's under communicate by an order of magnitude.

- **Report on Progress:** In each period the PM should report on those tasks / work packages that:
  - Were planned to start in the period
  - Were planned to complete in the period
  - Are on-going
  - Any problems or issues that have arisen
  - The change in state of any item on the risk log
  - The current state of the project in terms of schedule and budget
  - Any forecast deviance from the tolerances in the next period (or worrying trends)

- **Resolve issues and/or escalate where necessary:** Issues may arise from within the team, the user or business community. The PM must deal with issues as they arrive, confronting the problem and working collectively to find resolution. The PM must escalate issues, risks and exceptions that would cause the project to go out of tolerance. But the PM may also wish to escalate any issue that has a direct bearing on the business or user community or where the steering group may be able to use their authority to assist or smooth the release of shared resources.

- **Deal with requests for change:** The Project Control Process set out in chapter 4.5 should be rigorously applied. In doing so the PM will log all requests for change, evaluate the impact of each request, prioritise the requests, agree those that are within his authority level (that he judges will not compromise his ability to continue to manage within tolerance) and escalate all other priority requests to higher authority for decision.

- **Manage risk:** At regular intervals the PM should review the risk log to ensure that no risks have changed their state, been resolved, become more or less likely and that no new risks have been identified. The risk log should also be reviewed whenever a major change request is reviewed or escalated.

- **Agree Organisational Change Management Plan:** Agree Change Management Plan related with the implementation of the project. It should outline the organisational changes that have been agreed as well as the user training plans.

- **Define Testing Plans:** Outline integration, users acceptance and 3^{rd} party test plans.

- **Define Support Team:** Define who will provide 1^{st}, 2^{nd} and 3^{rd} levels of support.

- **Define Service Levels:** Outline agreed service levels agreements.

- **Generate project Documentation (technical & user):** Generate technical and user documentation related to the project.

- **Produce Launch Proposal:** The Launch Proposal should provide evidence and confirm that the solution is ready to go-live. It should include the agreed service levels and organisational change management plan. This is a gate document in which the Project Manager provides a test plan and an assessment of on-going support and operational requirements.

- **Produce Rollout Proposal (optional):** This is an optional gate document that should be produced just in case of a solution that will be implemented, for instance, in different locations.

4.4. The Project Closure Phase

The closure phase is required to ensure that each project has a clearly defined end point, that responsibilities are assigned for the support and operations of the project output, to release the resources assigned to the project and to ensure that the client has formally accepted the project deliverables against the project and business objectives.

Two conditions can cause the closure of a project. These are:
- **Premature Closure:**
  - Failure to pass an IPM Funnel stage gate meeting (reasons being business, technical, user etc.)
  - Project put on hold by the Project Manager under conditions where the risks are increased inordinately such that successful completion of the current project phase or IPM stage is not possible (see above). Under these conditions the Project sponsor may then opt for premature closure in mid project lifecycle phase.
- **Project or IPM stage completion**
  - Orderly completion according the normal process of the lifecycle.

Both of these closure processes require similar activities to take place. These are typically to ensure that the objectives of the phase have been met, ensure formal hand-over to the next phase, identify actions for follow on activities, record lessons learned, creation of the Gate document (i.e. end stage report) and finally to ensure that the project resources are released and procurement actions and contracts formally closed. In the case of Project completion the Project Manager should also ensure that all necessary training is included and that the project post implementation review has been planned.

ACTIVITIES	PM DELIVERABLES
• Gain acceptance of deliverables and record follow-on actions.	• Customer Acceptance
• Perform administrative close down	• Customer Acceptance

• Plan and prepare for the Post Implementation Review (PIR)	• Post Implementation Review (PIR)

• Learn and share lessons
  • Review conduct of project (relevance of PM practices adopted)
  • Review conduct of project (performance against plan)
	• Post Implementation Review (PIR)

• Conduct end of assignment personnel evaluation of resources to aid future assignment (optional)	-
• Celebrate success	-
RELATED TECHNIQUES (see Section II for details)	
• Cost and Budget Management • Time Management • Communications Management • Quality Management • Procurement Management	
RELATED TEMPLATES (see Section IV for details)	
• Customer Acceptance • Post Implementation Review (PIR)	

- **Gain acceptance of deliverables and record follow-on actions:** This occurs either at the end of an IPM stage or at the end of the project. In both cases there must be formal acceptance of the products by the customer. For continuing projects this acceptance will be granted by the Gatekeeper. In the case of the project closure the authorised signature will be the Business Sponsor. The emphasis is on providing to the business quality products that will enable the achievement of the planned business benefits.

  During the project there will have been a number of requests for change, not all of which will have been accepted or approved for immediate action. Some may have been deferred for action in a future product release; these will have been noted and recorded in the change control log. These should now be extracted and prioritised as they may form the basis of a follow on project to enhance the functionality of an accepted product.

- **Perform administrative close down:** The final phase of the project differs from continuing phases in that a decommissioning activity is required. Typically this will consist of activities to verify formal acceptance of the products and the collection and archiving of all project documentation. Actions include:
  - Providing a hand-over to the continuing operational support group
  - Ensuring that all relevant stakeholders are provided with a communications bulletin ensuring that they are made aware of the operational activities
  - The release of project resources.
  - The preparation of a lessons learned report.
  - The administrative closure and archiving of all project documentation (project diary and daily log, issue log, risk log, customer acceptance, operations acceptance, etc)

  Close out all procurement actions and contracts (if applicable), verifying that all contracted work was carried out and completed successfully. All invoices should be paid, written confirmation provided of contract closure and contract file closed and archived.

- **Plan and prepare for the post implementation review:** A short time (typically 3 to 6 months) after the acceptance of the project products by the business, an independent review should be conducted to establish the extent to which the business has been able to realise the benefits claimed in the original project business case (documented in the Project Contract). Although the Project Manager will not be responsible for the conduct of this review it is vital to put in place plans and structures to enable the review to take place. Generally the full benefits

would not have been realised so early after the implementation but there should be clear signs in the key indicators that were identified in the benefits realisation plan.

By conducting rigorous post implementation reviews the business will be able to better understand which projects contribute most effectively to the realisation of business benefit and hence refine the project portfolio selection process.

- **Learn and share lessons:** The project quality plan should have specified ongoing actions to enable peer review, or formal audit, of the conduct and relevance of PM practices adopted and also of the conduct of project in terms of performance against plan. The results of these reviews and audits should now be consolidated into a lessons learned report on the effectiveness of the project management practices. The sole purpose of the lessons learned report is to share experience among the project management community and hence to improve the practice of project management within Unilever.

- **Celebrate success:** Project work is demanding and mentally and emotionally, it is wise to openly recognise the commitment that your team has given by organising an overt act of celebration. Demonstrate the value of the team and ensure that everyone can take pride in a job well done.

- **Conduct end of assignment personnel evaluation of resources to aid future assignment (optional):** Often during the course of a project team members may develop new skills or gain valuable experience in specific techniques or processes. Where significant skill development has taken place steps should be taken to amend personnel records to reflect the new skills sets. This is valuable both as a recognition of personal contribution and is of organisational value in identifying the right people with the right skills and experience to lead or contribute to future projects.

4.5. The Project Control Process

Control encompasses all of the project management activities required to continuously manage the expectations of the key stakeholders. The project variables covered by the control process are change, progress and quality.

Within the control process 3 project management techniques are of particular importance:
- **Change Control** (see chapter 5): It provides a formal process for requesting changes to agreed baselines, evaluating those changes in terms of benefits provided and impact on project activities and the authorisation of appropriate action. Effective project control is an essential ingredient of project success.
- **Progress Reporting** (see chapter 14): It involves regular, formal, reviews of progress against plan and identifies current status, problems and opportunities, reasons for deviation from plan, impact on future work and any management action required.
- **Quality Management** (see chapter 9): It ensures that project products comply with the appropriate standard or requirement specification.

ACTIVITIES	PM DELIVERABLES
• Analyse Performance Data	-
• Analyse Progress against Plan and Forecast potential exceptions	• Progress Report
• Take (or recommend) corrective action where appropriate	• Exception Report
• Prepare Reports	• Progress Report; Exception Report
• Request guidance	• Project Issue Report
• Request / conduct peer review of plans and actions	-

RELATED TECHNIQUES (see Section II for details)

• Change control
• Progress reporting
• Quality management
RELATED TEMPLATES (see Section IV for details)
• Progress Report
• Exception Report
• Project Issue Report
• Change Log
• Change Request
• Risk Log

GUIDANCE ON THE CONDUCT OF ACTIVITIES

- **Analyse Performance Data:** The Project Manager needs to understand the "why" of any given situation in order to accurately identify the impact. It is also important to take a realistic view of the impact rather than an over optimistic one. For instance, when faced with slippage a Project Manager's first instinct might be to reduce the estimates for future work. This results in the project being reported as on track when it is not, until, eventually, it records a major slip damaging the credibility of all involved.

- **Analyse Progress against Plan and Forecast potential exceptions:** Analysing progress requires the gathering of accurate data about the state of the project based on completed activities. This data then needs to be analysed to identify the status of the project, the reasons behind project status and the potential impact on the outstanding work.

- **Take (or recommend) Corrective Action:** Once the causes and extent of any problem have been identified the Project Manager should decide on appropriate corrective action. This may involve moving resources within the project, obtaining additional resources, renegotiating constraints, changing dates or escalating the issue where the required action is outside of their agreed tolerances.

- **Prepare Reports:** Preparing reports requires the consolidation of project data at an appropriate level for the target audience. Senior management will require updates at phase level, tactical management at the task level and team members at the activity level. Consideration should be given to the use of visual techniques (graphs, traffic light symbols etc.) to maximise the impact of these reports.

- **Request Guidance:** Project Managers often consider that they are solely responsible for the status of the project. This is not necessarily true. However, the Project Manager is professionally accountable for ensuring that awareness of project status is accurately reported to all concerned and that key stakeholders have the required information on which to base their decisions.

- **Request/Conduct Peer Reviews:** Where a project is experiencing systemic problems such as repeated slippage or excessive requests for change the Project Manager should request a Quality Assurance review to be conducted by a suitably experienced colleague. This can prevent a project from getting out of control and can be of great assistance to the Project Manager. Experienced Project Managers should also expect to be asked to conduct reviews of this nature on behalf of their colleagues.

SECTION II:
PROJECT MANAGEMENT TECHNIQUES

Change is inevitable; it is a part of every project. The purpose of change control is to manage the change process in a manner that facilitates the rapid and cost effective incorporation of changes that are deemed necessary to fulfil business functionality whilst discouraging cosmetic changes or changes that may be rooted in individual preference. At the outset the project manager may be assigned a change budget – if so this must be carefully managed and in all cases when change is accepted the impact upon cost, schedule and performance must be clearly understood and communicated.

5.1 Change Control Do's and Don'ts

Do's		Don'ts
• Ensure that: • All change requests are submitted in the same format and formally logged • The impact of all change requests is evaluated • The client understands and accepts the impact on cost, schedule, functionality that the change produces • Risks have been evaluated and the risk log updated • Escalate change issues whenever they may result in a change to products or a request for additional resources. • Escalate change issues that impact external suppliers even if they fall within your delegated decision levels. • Update the project plan to show the effect of accepted changes.		• Allow any member of the project team to work on changes that have not been formally evaluated. • Accept changes to products without modifying the product description and getting agreement on new acceptance criteria. • Accept changes to products (agreed deliverables) without the knowledge and agreement of the sponsor / project steering body. • Agree to any change that will take the project outside its agreed tolerances without raising an exception report.

5.2 Change Control – major stages
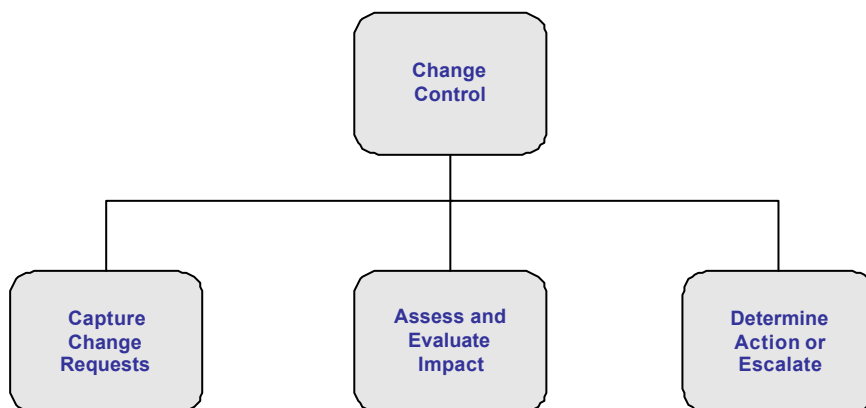
5.3 Change Requestors

Anyone associated with the specification, design, build, implementation or operation of the products of the project may initiate a request for change. All requests, no matter how apparently trivial, must be subject to the same stringent management process. No one on the project team has the autonomy or authority to circumvent the process and make changes on the fly. In cases of extreme urgency (critical systems failure impacting on-going operations) there needs to be a fast-track decision making process that may be documented retrospectively – But even in these cases it is essential to adhere to all the steps of the change control process.

5.4 The Change Control Process

Change Control is the process by which request for changes are submitted, assessed, evaluated, logged and approved for action. Broadly speaking all changes will fall into one of three categories:
- Changes to the environment in which the products of the project will operate, this category covers:
    - Legislative changes or changes to mandatory company policy
    - Changes to key business processes
    - System integration requirements, i.e. changes in data feeds or security processes associated with existing or planned systems with which the project must interface.
- Additional, new or changing functionality that has either emerged since the original system specification or were incorrectly specified at an earlier stage.
- Changes to project parameters; such as resources, budget, timings or success criteria.

NOTE: In the case of environment changes, the change is likely to be mandatory in almost all cases. In the case of functionality changes a decision making process will be required to evaluate and then prioritise the requests and to determine the most appropriate manner in which the requested change can be reflected in the delivered functionality. Parameter changes may or may not be mandatory.

All change requests must be logged and submitted to the Project Manager. It is the Project Manager's responsibility to provide the first level filtering of change requests against a priority/impact assessment. Each change request (See template included in Section IV) must indicate the change request priority as follows:
> **1: Mandatory**
> **2: Workaround possible**
> **3: Nice-to-have**
> **4: Cosmetic**

5.5 Change Control Minimum Documentation

Each change request will also include an impact analysis, which must include as a minimum:
- A description of the proposed change
- The reason for the change and the expected benefits.
- The source of the change request.

The project team will then append to the request the following information:
- A quantification of the costs savings and benefits associated with the change
- The effort required to make the change and the cost associated with this effort
- Impact on the projects time scales and project resources
- A restatement of the business case
- A review of the risk log and clear statement of the impact of any significant changes / new risks or issues.

The Project Manager will then decide whether to accept this change request or escalate it. The project manager may only accept the change in those cases where doing so will not impact the agreed cost / schedule tolerance previously agreed with the Business Project Leader. Where the change is accepted the PM will log this change and introduce it into the project plan.

Where either (i) the changes are not accepted as above (i.e. within the PM's authority) or (ii) the changes affect the functionality, the PM will escalate the request to the Business Project Leader for resolution. In those rare cases where the Business Project Leader feels unable to authorise change he may either (i) call in Subject Area Experts/initiate a working group to produce further information or (ii) escalate to the Business Sponsor for resolution *(see change log included in section IV)*.

In all cases above where a decision is required the outcomes will be one of the following:
- Approved
- Rejected
- Pending (new release, working party input, etc.)

The decision should be noted on both the change request form and the change log.

Hints and Tips:
When a project is part of a larger programme, no change requests should be accepted until it has been established that to do so would not unduly impact programme delivery.

5.6 Related Templates (see Section IV for details)

- Change Log
- Change Request

5.7 References

A Guide to the Project Management Body of Knowledge (2000 edition)
- Chapter 4 – Project Integration Management.   Pages 47 – 49
- Chapter 5 – Project Scope Management   Pages 62 – 64

Managing Successful Projects with Prince2
- Chapter 20 – Change Control   Page 271 – 276
- Chapter 23 – Change Control Approach   Page 295 – 298

Skillsoft e-Learning modules
- Project Performance Reporting   Course Code   (PROJ0482)

The scope of the project defines the boundaries of the work to be done. It is essential to agree the definition of scope before committing to any deliverables, timings or budget to ensure that the project team and the customers share a common understanding.

6.1 Scope Management Do's and Don'ts

Do's		Don'ts
• Understand the goals of the project – what business function does it fulfil? • Set objectives that are achievable by the project alone. • Recognise the scope of other projects – agree boundaries and avoid duplication of tasks and/or responsibilities. • Ensure that all key stakeholders agree and understand the project scope. • If time is critical – gain consensus on what functionality can be left out and use Time Boxing • Define the full extent of project activity.		• Agree any change in project scope without the approval of the sponsor. • Forget that 80% of the requirement can usually be delivered in 20% of the time • Assume that scope is non-negotiable • Allow stakeholders to form unrealistic expectations • Cut corners on testing, quality etc, in order to meet schedule. • Forget, issues such as training, implementation etc, are they in scope?

6.2 Scope Management – major stages
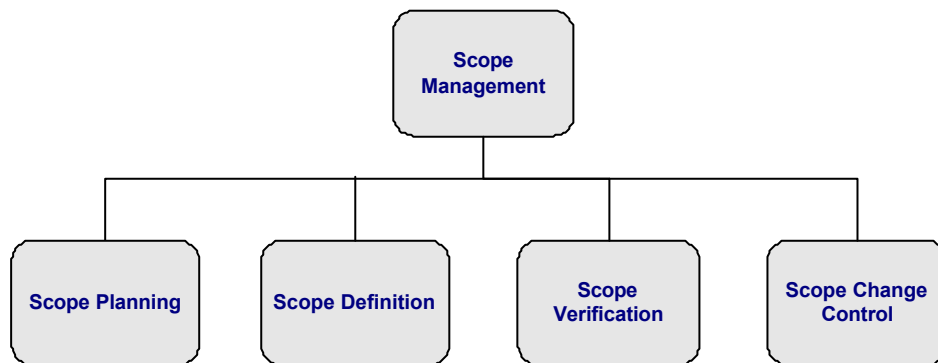
Usually there are two aspects to scope - **Project Scope and Product Scope**. For both project and product scope it is good practice to state what is excluded as well as what is included.

Project Scope defines the work that must be done to deliver a product with the specific features and functions. In other words, it defines where the project begins and ends. For instance, for a project looking at graduate recruitment for the company, the project may begin with the requirement already defined or that may be within the project scope. The same project may finish when the graduates accept job offers or when they start or following an induction period.

Product Scope defines features and functions that characterise a product or service. For the graduate recruitment project this may cover such areas as skill sets, physical locations, job descriptions, business units and so on. In general terms product scope will be defined in terms of:

- Products
- Systems
- Functions
- Processes
- Geographical locations
- Business departments
- Job roles

6.3 Scope Planning

The three key techniques used in Scope Planning are Product Analysis, Cost/Benefit Analysis and Option Identification.

Product Analysis
This enables the project team to develop a better understanding of the product such as an existing or required information system. A range of analysis techniques can be used for this such as Data Modelling, Data Flow Diagrams or Value Chain Analysis.

Cost/Benefit Analysis
This is the primary technique for establishing a business case for a proposed change and professional project managers need to be aware of the steps involved. Firstly, an overview of the costs involved needs to be created using one or more of the techniques described in the chapter on Cost and Budget Management.

Option Identification
A variety of creative thinking techniques can be used to generate options such as:

- Brainstorming
- Lateral Thinking
- Assumption Busting

Brainstorming: A free format group discussion techniques allowing the generation of a large number of ideas with no evaluation. Quantity is more important than quality when brainstorming. Generation of ideas might be verbal or written with the output displayed on flipcharts, whiteboards or brown paper and post-its. Whichever method is used brainstorms require a strong facilitator.

Lateral Thinking: Lateral thinking is often referred to as "blue sky" and involves the discarding of constraints. For example, a facilitator might ask a group to define how they would like a delivery process to work if they were not subject to cost constraints. Whilst the initial responses might not be practical in the form that they are suggested they may well lead to more practical implementation methods that still capture the same principles (e.g. personal delivery by a staff member might not be realistic but use of a courier service might be).

Assumption Busting: Often the biggest barriers to creative thinking are the things that people hold to be true and inviolate. These beliefs are often invalid and prevent people from finding new solutions. It is often worth documenting the group's assumptions at the outset of a problem-solving workshop and challenging the validity of these.

The key **Output** from **Scope Planning** is the **Scope Statement**. This covers:

- The Business Case
- Product Summary
- Project Deliverables
- Project Objectives

6.4 Scope Definition

The Scope Definition produces the Work Breakdown Structure for the project based on the Product Summary and Product Deliverables from the Scope Statement and the Work Breakdown templates in use within the company. The objective of Scope Definition is to decompose the project down into discrete work packages that can be assigned to specialists teams and to further decompose these, for the next phase of the project, into individual activities.
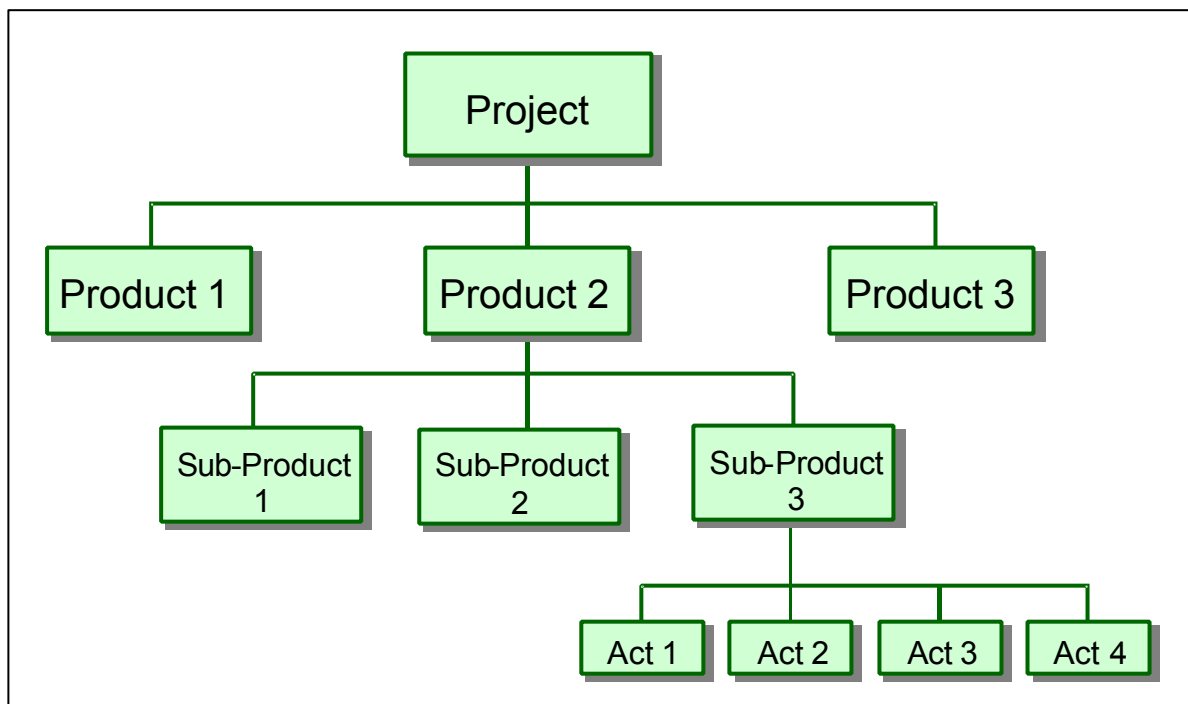
Although the existence of templates is helpful in creating the Work Breakdown Structure these templates need to be tuned to the specific project by deleting elements that are not required and adding any that are specific to the project being planned.

6.5 Scope Verification

Scope Verification includes all activities used to check that the deliverables produced during the project conform to the Scope Definition. These activities are described in the chapter on Quality Management.

6.6 Scope Change Control

One of the biggest problems faced by project managers is uncontrolled change to the agreed project scope often referred to as "Scope Creep". Techniques for Change Control are described in the chapter on Change Control.

6.7 Related Templates (see Section IV for details)

- Project Charter
- Project Contract

- Project Launch Proposal

NOTE: The output of the Scope Management technique allows us to formulate the Project Definition. Within Unilever this is to be found as item 3 of project charter, project contract and project launch proposal, and takes the following format:
- Deliverables
- Boundaries
- Constraints
- Interfaces
- Tolerances

6.8 References

A Guide to the Project Management Body of Knowledge (2000 edition)
- Chapter 5 – Project Scope Management.   Pages 51 – 64
  - Scope Planning   Page 55
  - Scope Definition   Page 57
  - Scope Verification   Page 61
  - Scope Change Control   Page 62

Skillsoft e-Learning modules
- Project Initiation and Planning   Course Code (PROJ0431)
- Project Scope Definition   Course Code (PROJ0432)
- Project Scope Verification and Change Control   Course Code (PROJ0433)

Time Management deals with the creation of the schedule and the subsequent management of the project against that schedule. This chapter should be read in conjunction with the following chapter on Cost and Budget Management.

7.1 Time Management Do's and Don'ts

Do's		Don'ts
• Keep dependencies and critical paths simple		• Treat estimates as facts, they are just best guesses – they are just as likely to be over and under.
• Validate duration estimates against experience or similar jobs		• Schedule 8 hours per day 5 days per week. Around 75% or 4 days per week is the best you can expect.
• Minimise dependencies between teams and team members		• Use elapsed time or activities as the basis for milestones. Milestones should only be related to completed products.
• Manage to the critical path		• Use inexperienced staff on activities that are on the critical path.
• Estimate effort in hours if you intend to schedule in days		• Multi-task staff who are on activities on the critical path
• Remember the Triple Constraint		• Pad out individual estimates by adding contingency. Rather use contingency as buffers at critical points in the planning network.

7.2 Time Management – major stages

```
                        ┌──────────────┐
                        │     Time     │
                        │  Management  │
                        └──────┬───────┘
         ┌───────────┬─────────┼─────────┬───────────┐
   ┌──────────┐ ┌──────────┐ ┌──────────┐ ┌──────────┐ ┌──────────┐
   │ Activity │ │ Activity │ │ Activity │ │ Schedule │ │ Schedule │
   │Definition│ │Sequencing│ │ Duration │ │Development│ │ Control  │
   │          │ │          │ │Estimating│ │          │ │          │
   └──────────┘ └──────────┘ └──────────┘ └──────────┘ └──────────┘
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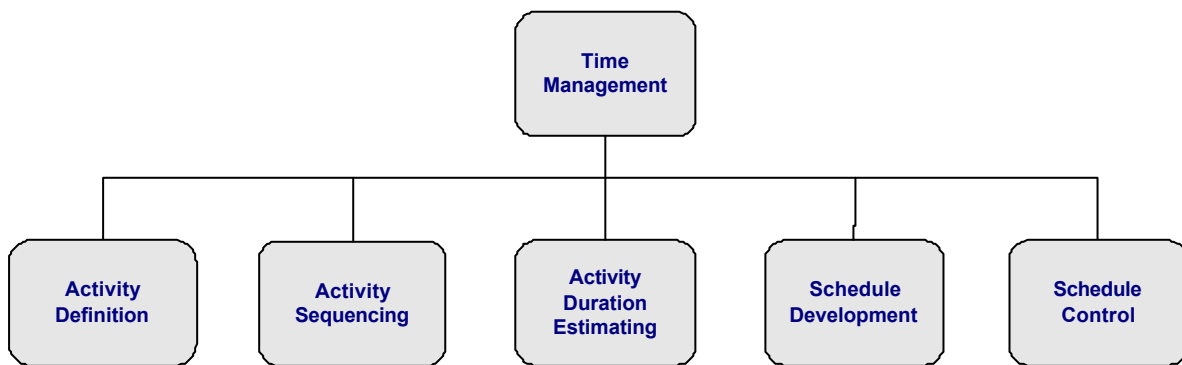
7.3 Activity Definition

The key **Input** to Activity Definition will be the Work Packages identified within the current phase of the project. These Work Packages will first have to be decomposed into sub-products based on the skill sets required to carry out the work as described in the chapter on Scope Management. The objective of Activity Definition is to further subdivide these sub-products to the point where the work required can be carried out by a single individual or a group of people within a controllable period of time. The optimum period of time for an activity should approximate to half the period between

control reviews (see Schedule Control below). An activity definition should include the input to the activity, a brief description of the work to be done, the skill set required and the deliverable at completion.

7.4 Activity Sequencing

Once the activities have been identified it will be necessary to define the dependencies between them. Dependencies can be **optional** or **mandatory**.

Optional dependencies are at the discretion of the project manager and may reflect a preferential sequence. For example, when estimating activities it may be possible to estimate effort first before converting this to duration for scheduling purposes or to estimate duration first converting this to effort for costing purposes. Choosing to do one before the other represents an optional dependency.

Mandatory dependencies are driven by the logic of the work to be done. For instance, you cannot design a solution before defining the requirement – although many have tried!

When dependencies have been established the sequence of the activities can be represented using a network diagram, like activity-on-arrow or other arrow diagramming method.

7.5 Activity Duration Estimating

The inputs to this process are the detailed estimates produced by the techniques described in the Cost and Budget Management chapter. These estimates represent an average expectation across a number of occurrences of a given activity and a more accurate picture can often be obtained by using historical data to generate a **PERT (Programme Evaluation and Review Technique)** estimate. PERT estimates require three inputs for each estimate; the most optimistic view **(O)**, the most pessimistic view **(P)** and the most likely view **(L)**.

The PERT estimate is then given by the formula:

$$\frac{O + 4L + P}{6}$$

The estimates of effort should now be converted to duration for each activity. This will be driven by:
- The number of people assigned to the activity
- The percentage effectiveness of the people assigned
- The degree of multi-tasking

Percentage Effectiveness: People are not 100% productive throughout the working year. The average number of hours of actual effort that an individual can deliver per working day will be reduced by:
- Holidays (annual entitlement plus national holidays)
- Sick leave (based on an average expectation)
- Training days
- Non-project activities (administration, breaks, email etc.)

Aggregating the effect of these factors over the working year means that you should schedule an individual for approximately 75% of their working day.

Multi-tasking: When someone has to switch from one task to another the chain of thought will be broken and time will be required to readjust on return. The more multi-tasking expected of an individual the more time will be lost in this way and the project manager will need to allow for this in their planning.

7.6 Schedule Development

The draft schedule can now be generated by assuming each activity starts on its EST and runs for the expected duration.

		Task Name	Duratic
	0	⊟ PLNW	37 da
	1	A	5 da
	2	B	10 da
	3	C	3 da
	4	D	8 da
	5	E	12 da
	6	F	3 da
	7	G	7 da
	8	H	4 da
	9	I	5 da
	10	J	5 da
	11	K	6 da
	12	L	4 da
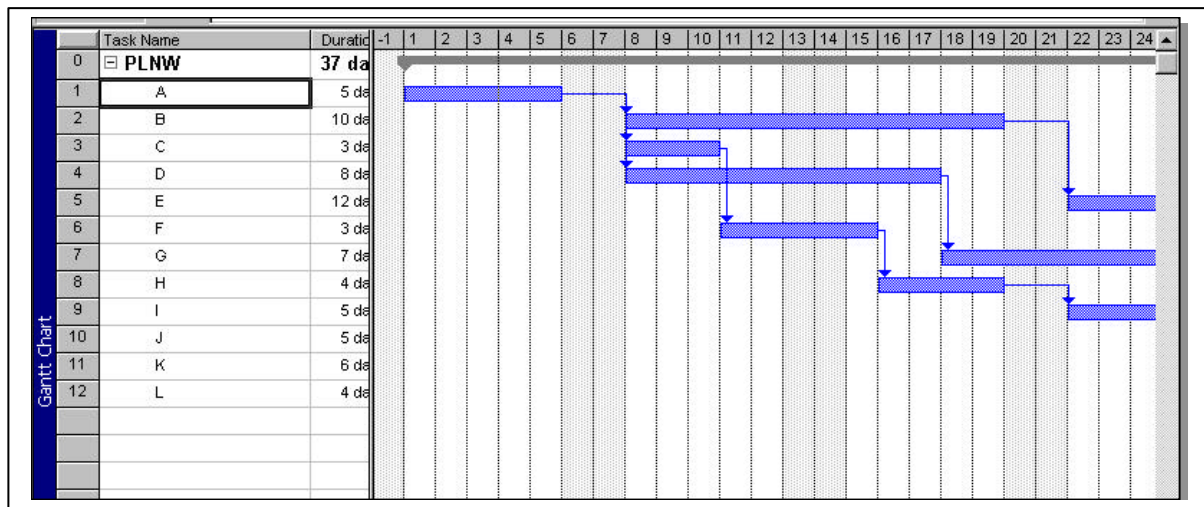
Named individuals can then be allocated against activities with Critical Path activities being assigned to those with proven ability and those with float providing an opportunity to develop less experienced members of the team. However, the original estimates will need to be reviewed in the light of the experience of the individuals and this may result in a change to the critical path.

Contingency should now be built into the schedule based on the results of Risk Analysis and the individual commitment required from each team member identified (contingency, and the reasons for its inclusion, should always be specified overtly within the plan). This may result in over scheduling of resources at some points in the plan and under scheduling at others. This can sometimes be corrected, without impacting the expected end date, by moving non-critical activities within the window represented by the float. This process is known as **Resource Smoothing**.

7.7 Schedule Control

Progress reviews should take place on the project at regular intervals and these need to be built into the schedule at appropriate times. Given that the project status can only be known definitively following a formal progress review the project manager should consider that, in the worst case, no progress might be made between reviews. They should therefore schedule these reviews such that a strategy could be created for recovering any lost time. In reality this will mean longer periods between reviews at the beginning of a phase (e.g. one to two weeks) and shorter periods towards phase end (e.g. one to two days).

7.8 Related Templates (see Section IV for details)

- Project Charter
- Project Contract

7.9 References

A Guide to the Project Management Body of Knowledge (2000 edition)
- Chapter 6 – Project Time Management.   Pages 65

Skillsoft e-Learning modules

- Project Activity Planning   Course Code (PROJ0441)
- Project Activity Duration Estimating   Course Code (PROJ0442)
- Project Schedule Development   Course Code (PROJ0443)
- Project Schedule Control   Course Code (PROJ0444)

It is important that the project manager has a plan of expenditure across the life of the project even if they do not carry financial responsibility because it provides a useful measure against which to judge progress and performance.

8.1 Cost and Budget Management Do's and Don'ts

Do's		Don'ts
• Record time spent accurately • Agree Limits of Authority for decision making • Relate expenditure to achievement • Track against appropriate item heads		• Micromanage the project team • Wait until limits are exceeded to escalate problems • Escalate issues inappropriately •

8.2 Cost and Budget Management – major stages
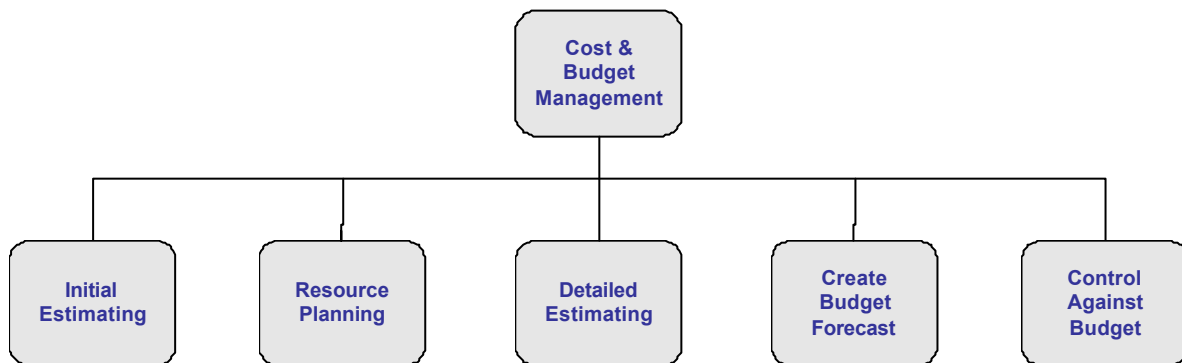
8.3 Initial Estimating

Initial estimates of cost and effort are required for the business case and capacity planning purposes. By definition they are at a low to moderate level of accuracy and this should be reflected in the way the figures are presented. This is usually done by defining upper and lower percentage bands (e.g. plus or minus 25%). There are a number of techniques available to assist the project manager with initial estimating including:

- Informal Analogous Estimating
- Formal Analogous Estimating
- Delphi Estimating
- Parametric Estimating

8.4 Resource Planning

Resource planning identifies the physical resources required to carry out the project and is intended to define skill type, level of experience and approximate timings. This information is required for costing and capacity planning purposes.

Inputs to Resource Planning include:
- The Work or Product Breakdown Structure

- Estimates of effort required
- Information on available resources
- Unilever policies

Resource planning will take place both at the Initial Estimating and Detailed Estimating stages. For Initial Estimating the project manager needs to define the approximate effort and timings for each skill set involved in the project. A technique that can help with this is Work Distribution Modeling.

Work Distribution Modelling relies on the reuse of a common project lifecycle and the availability of accurate historical records from similar projects and is, therefore, a form of analogous estimating. It is based on the assumption that, for similar projects, the amount of effort spent at each phase within the lifecycle will be proportional to the overall effort and can be expressed as a percentage.

The **Output** from Resource Planning is a definition of the required resources (skill sets, experience, timings etc.).

8.5 Detailed Estimating

Detailed estimating is usually limited to the next phase in a project and would be expected to produce estimates within an accuracy band of plus or minus 10%. Techniques for detailed estimating include:
- Expert judgement
- Delphi (as described above)
- Standard Task Matrices

Expert Judgement: This can take a variety of forms. The most informal approach would involve the view of the individual who would e carrying out the work to the involvement of external experts.

Standard Task Matrices: This is a more detailed version of the formal approach to analogous estimating described above. It involves identifying a number of standard tasks or activities to be carried out on projects and defining separate characteristics that will influence the size and complexity of that task. Historical records (or Delphi) can then be used to populate a task matrix with average expectations.

The effectiveness of an approach such as this is governed by the quality of the data used to create and maintain it. To use Standard Task effectively it must be based on accurate historical records and regularly updated with actual figures captured during project control reviews. The creation and maintenance of Standard Task Matrices is usually undertaken by a central support function.

8.6 Budgeting

To create a budget the cost estimates need to be apportioned by time and item heads. For the current phase the time allocation will be driven by the schedule and for subsequent phases by an appropriate Work Distribution Model. Item heads will depend on circumstances but are likely to include:
- Internal staff costs
- External staff costs
- Capital purchases
- Hardware and software support
- Overheads (heating, lighting, communications, internal support services etc.)
- Travel expenses
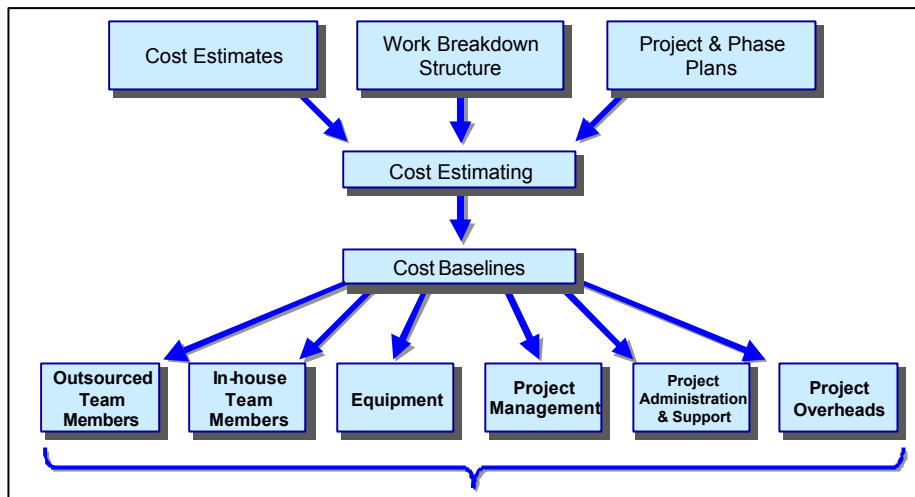
The resultant budget will be presented as a cashflow:

	Jan	Feb	March	April	May	June
Capital:						
H/W purchase		£150,000				
Expense:						
Staff	£17,000	£20,000	£23,000	£23,000	£18,000	£12,000
Travel	£500	£500	£2,500	£1,500	£1,000	£500
PC Support	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500
Overheads	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000
Totals	£24,000	£177,000	£32,000	£31,000	£25,000	£19,000

The typical expenditure profile for a project is an "S" curve where expenditure starts slowly, builds up during the middle section and tails off towards the end. Where good historical records exist it is useful to compare the predicted "S" curve for a new project with similar ones in the past. Any significant differences should be investigated.

8.7 Control against Budget

Control against budget is discussed in Chapter 14 - Progress Reporting

8.8 Related Templates (see Section IV for details)

- Project Charter
- Project Contract

8.9 References

A Guide to the Project Management Body of Knowledge (2000 edition)
- Chapter 7 – Project Cost Management.   Pages 83 – 94
  - Resource Planning   Page 85
  - Cost Estimating   Page 86
  - Cost Budgeting   Page 89

- Cost Control   Page 90

Skillsoft e-Learning modules
- Project Resource Planning   Course Code (PROJ0451)
- Project Cost Estimating and Budgeting   Course Code (PROJ0452)
- Project Cost Control   Course Code (PROJ0453)

Quality is often regarded as the fourth variable along with cost, time and scope. This is, however, a false view. The quality of a product is best defined as "fitness for purpose" and, while it is legitimate to redefine the purpose, the delivered product must always be fit for that redefined purpose.

9.1 Quality Management Do's and Don'ts

Do's		Don'ts
• Focus on providing a "fit for purpose" solution • Check both the deliverables and the processes used to create them • Use people from outside the project for Quality Assurance • Build quality activities into the work plan • Accept that some re-work is inevitable and build time into the plan to complete such work • Take advantage of opportunities for informal peer review • Apply the same rigorous quality approach to management deliverables as to product deliverables		• Rely solely on testing the deliverables • Confuse "I would have done it differently" with "It is wrong" • Confuse excellence with perfection • Assume that things will be accepted as first delivered • Don't expect quality reviewers to complete their work instantaneously, just as building quality takes time – so does reviewing it.

9.2 Quality Management – major stages
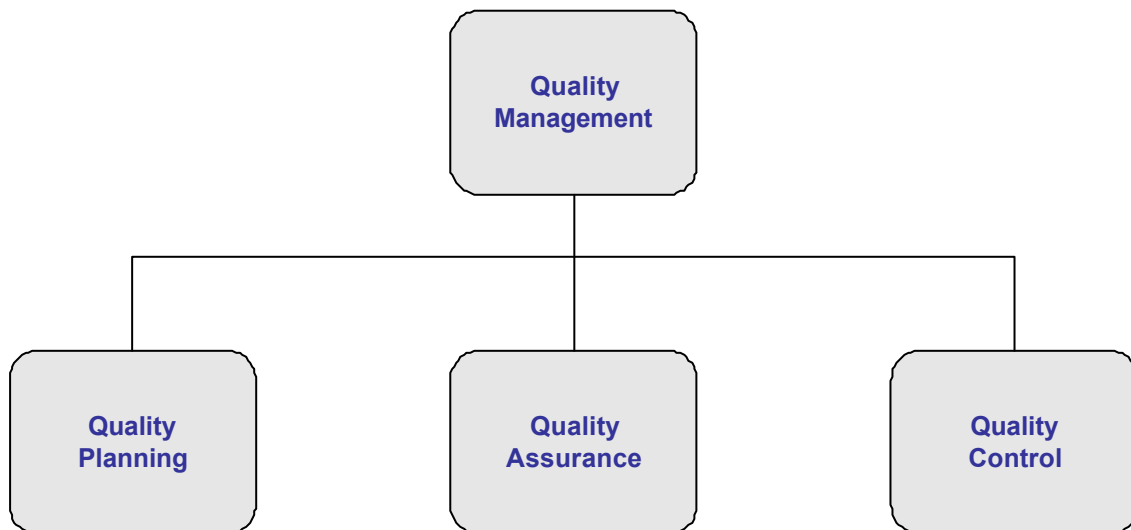
9.3 Quality Planning

Quality Planning, as the name implies, is carried out in the planning phase of the lifecycle and includes:

- Identification of appropriate standards
- Tuning the chosen standards
- Deciding on appropriate quality assurance and quality control methods
- Agreement of roles and responsibilities
- Scheduling of quality reviews

A key technique that can be employed during Quality Planning is **Cause and Effect diagramming** (also known as Fishbone or Ishikawa diagramming). The project team brainstorms potential failure states and uses the technique to identify possible causes so that these can be mitigated by appropriate quality management activities.
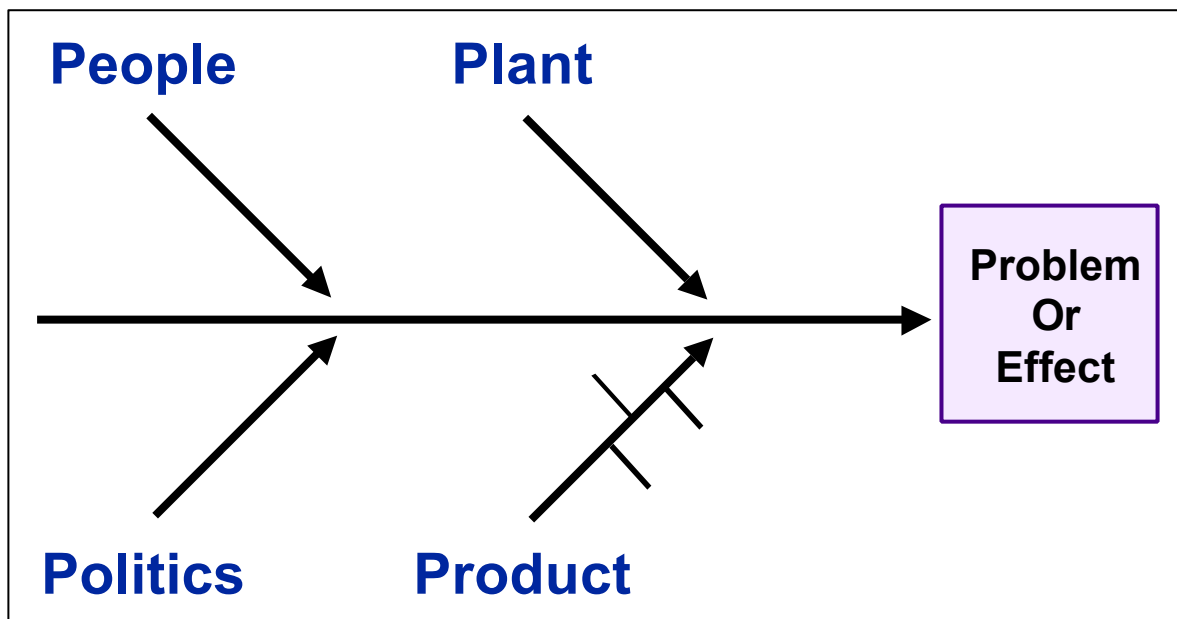
Quality Assurance includes all activities undertaken to ensure that the right processes are used on the project. Quality Control includes all activities undertaken to validate the products created by the project.

9.4 Quality Assurance

Quality Assurance reviews can be carried out at the beginning of a phase (forward looking), at a mid-point in a phase (forward and backward looking), at the end of a phase (backward looking) or on an ad-hoc basis when there is cause for concern (e.g. excessive change requests). Because a Quality Assurance review needs to question the thinking behind the approach to a project it is usually best conducted by an experienced project manager who has not been previously involved.

A Quality Assurance review looks at the processes used (or planned to be used) on the project and asks questions about these. For example, if a planning process was being reviewed the reviewer might ask:

- *"How were the tasks and activities identified?"*
- *"How were the estimates derived?"*
- *"What was the basis for the allocation of tasks?"*

The answers to these questions would be recorded as **Observations** in the Quality Assurance report.

Based on the observations the reviewer will draw **Conclusions**. For instance, if the observations were that the project manager had based their estimates on their own experience and that they had little or no experience the conclusion drawn might well be that the estimates were unlikely to be accurate!

Following from the conclusions the reviewer would make **Recommendations**. For the above example these may well include the suggestion that a more experienced project manager check the estimates.

The **Output** from a Quality Assurance review is a report. The Quality Assurance report focuses solely on issues that represent a significant threat to the success of the project. In the Quality Assurance report it is usual to associate each conclusion with the associated observation but to put the recommendations in a separate section (one recommendation might well address a number of raised issues).

9.5 Quality Control

Quality Control reviews look at a specific product or sub-product of the project and assess it against a defined standard or specification. Review methods include:

Desk Checking: The producer of the deliverable checks the work personally against the standard or specification.

Third-Party Review: The equivalent of desk checking but carried out by a third party who may be external to the project team.

Peer Review: The producer submits the work to a panel of their peers for a formal walkthrough in meeting format. A neutral person normally facilitates the review meeting and the ethos is that it is the product that is "on trial" and not the producer. The process for carrying out a peer review is as follows:
- The producer selects a chairperson and briefs them on the work to be reviewed
- The producer selects the attendees and briefs them
- A date for the review meeting is agreed
- The product is circulated to the reviewers with time for them to study it
- During the review meeting any issues noted
- Following the review the producer is responsible for correcting the work
- The producer arranges a second meeting if this was deemed to be necessary

A peer review is very powerful provided that all concerned approach it with open minds and it is well facilitated.

White Box Testing: White box testing may be at sub-product or product level and is carried out against the appropriate specification. White box testing is carried out in the knowledge of the internal design of the product and is usually conducted by another member of the project team with similar skills to the producer.

Black Box Testing: Black box testing is testing carried out against a specification with no knowledge of the internal design of the product and against test cases developed in isolation.

Statistical Sampling: Focusing testing on a random sample of an iterated product allows for more thorough testing of the sample with the results being extrapolated to give an overall assessment for the total population.

The **Output** from a Quality Control review is a list of all non-compliance issues.

9.6 Related Templates (see Section IV for details)

- Project Charter
- Project Contract
- Launch Proposal

9.7 References

A Guide to the Project Management Body of Knowledge (2000 edition)
- Chapter 8 – Project Quality Management.   Pages 95 – 106
  - Quality Planning   Page 97
  - Quality Assurance   Page 101
  - Quality Control   Page 102

Managing Successful Projects with Prince2
- Chapter 18 – Quality in a project environment   Page 253 – 262

Skillsoft e-Learning modules
- Project Quality Planning   Course Code   (PROJ0461)
- Project Quality Assurance   Course Code   (PROJ0462)
- Project Quality Control   Course Code   (PROJ0463)

Risk Management is the systematic process of identifying, analysing and responding to project risk with the intent of maximising the probability and consequence of positive events whilst minimising the probability and consequence of adverse events. The aim is to manage the project's exposure to risk by taking actions that keep the exposure to an acceptable level in a cost effective manner.

Risk: Project risk is an uncertain event or condition that, should it occur, would have a positive or negative effect on a project objective. A risk has a cause, and should it occur, a consequence.

Risk Management involves:
- Access to reliable up to date information about risks
- A decision making process supported by risk analysis and evaluation
- A process to monitor the development and emergence of risks
- A balanced control process to deal with risks that come to fruition.

10.1 Risk Management Do's and Don'ts

Do's		Don'ts
• Involve multiple stakeholders in the risk identification process • Review the risks whenever a change is requested, a sponsor or major stakeholder changes, an issue arises and /or an IPM funnel decision gate is near. • Build mitigating actions into the project plan • Pre-plan contingent actions, ensure all necessary personnel understand the actions and exercise them if necessary • Review risks and changes in risk status as part of routine progress reporting • Maintain a balance between the cost of managing risk and the loss that could be incurred should the risk occur		• Rely on check lists or previous risk logs • Just look for "show stoppers", it is often a combination of little things that cause the biggest problems • Agree any project changes without reviewing the risk log • Delegate Risk Management – it is the Project Managers responsibility • Assume bad things only happen to other people

10.2 Risk Management – major stages

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 │Identification│ │ Analysis  │ │ Responses│ │ Monitoring  │
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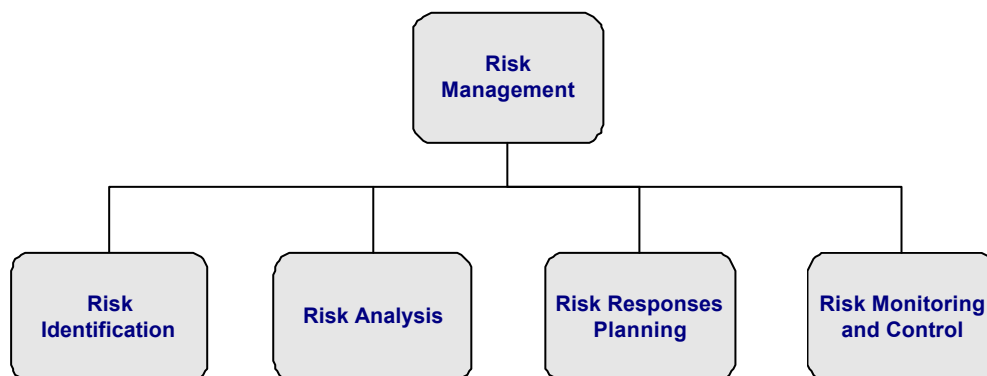
10.3 Risk Tolerance

Different organisations have differing "appetites" for risk and this "appetite" may vary from project to project. Appetite is the amount of risk that the project sponsor is prepared to tolerate along a particular dimension of the project. It is important to understand this concept of risk Tolerance before designing complex risk mitigation or control strategies; that is we need to strike an optimum balance between the cost of a risk occurring and the cost and value for money of actions designed to limit that risk. The organisation's overall tolerance of exposure to an aggregation of risk must also be considered in addition to the view of individual risks.

10.4 Risk Identification

Risk identification involves determining which risks might affect the project and documenting them, together with their characteristics.

Risk workshops are a very good technique for identifying risks and deciding on the way risks will be handled. They are essentially brainstorming exercises with expert opinion being sought from the project team members, or knowledgeable stakeholders. The project manager will facilitate this group activity.

Risk identification is an iterative process conducted generally by members of the project team. To ensure an unbiased view it may be wise to involve non-project staff in the final iteration.

Other useful techniques and inputs to Risk Identification are:
- Interviewing – experienced project managers or subject matter experts
- Checklists – utilising standard risk checklists accumulated from previous or similar projects or from tools or other sources. Care should be taken when using checklists to ensure complete coverage.
- Assumption analysis – use the Why, Why, Why approach to critically examine the assumptions that underpin the problem that the project aims to resolve.
- Diagramming techniques, such as "fish bone" (Ishikawa) diagrams that plot cause and effect relationships. Or influence diagrams that graphically illustrate relationships between variables, causal influences and time ordering of events.

10.5 Risk Analysis

Risks can be analysed using Qualitative or Quantitative techniques, the most common approach is to use qualitative analysis (this manual gives no guidance on the Quantitative approach – See Chapter 11 of the PMBOK 2000, pages 137 to 139).

Qualitative risk analysis is conducted by assessing the impact and the likelihood of each of the identified risks.
- Risk Probability – is the likelihood that a risk will occur. Mathematically the probability scale runs from 0 (no probability) to 1 (certainty). Assessment requires expert judgement and experience. It is common to employ a scale such as High, medium and low or alternatively a general scale such as 1,2,3 and 4 where 1 is low likelihood and 4 is very high likelihood.
- Risk Consequence (impact) is an assessment of the effect on the project if the risk occurs. It is common practice to utilise the same scale as that applied to probability.

Risk exposure is the product of the probability assessment and the impact assessment. For example, if we have defined the probability settings as 1 (for low probability), 2 and 3 (for medium probability) and 4 (for high probability) and had similar settings for impact from low impact to high impact then if the risk workshop assessed a particular risk as follows,

Probability = 3

Impact = 4

the risk exposure would be probability x impact (3x4) = 12. This is obviously a risk to which we would wish to pay particular attention – high probability/high impact. There is a case, depending on the project, for treating such risks as critical success factors.

For those risks at the other end of the scale – low probability/low impact – these can be monitored with no specific action designated unless things change, in short, treated as an assumption.

The use of a 1,2,3,4 scale is preferable to high, medium and low because it eliminates the human tendency to select the median assessment. The product of probability and impact produces a numerical range for the Exposure value that more clearly delineates the need for attention and possible action.

The high/mid-range risks will require some management action taken or planned to be taken to ensure that they do not cause major problems during the execution phase of the project. The options are,
- Take some action which will reduce the likelihood of the risk occurring or the impact if it does
- Plan a set of actions which will reduce the impact if it occurs
- Transfer the risk to a third party e.g. Contractor or supplier
- If possible, take some action which will avoid the risk

Each risk must have a designated owner who knows the 'trigger' that will alert them that the risk has come to fruition.

10.6 Risk response planning

Risk response planning is the process of developing options and/or determining actions aimed at enhancing opportunities and limiting threats to the project objectives. Broadly speaking the possible actions fall under two headings:
- **Mitigating Actions** – things we do now that are aimed at reducing the probability of a risk occurring or limiting the impact should it occur. Possible actions fall under the following headings:
  - Prevention – do things differently and thus remove the risk
  - Reduction – treat the risk, take action to control it.
  - Acceptance – tolerate the risk, acceptance often
  - Transference – pass it on to a third party – Insurance, inclusion in contractual arrangements etc
- **Contingent actions** – things that we plan now but only action if and when the risk occurs.

Whatever action is decided upon it is essential that an owner is identified for each risk and that ownership and responsibility is clearly indicated in the risk log. Risk owners must proactively monitor their assigned risk areas.

The risk log should be raised in the project initiation phase and revised and updated as additional information becomes available. The risk log should be reviewed on the following occasions:
- End of each project stage
- In conjunction with any major change requests
- Whenever an exception plan is raised due to the project moving outside agreed tolerances

10.7 Risk Monitoring and Control

Risk monitoring and control is the process of keeping track of the identified risks, monitoring residual risks and identifying new risks, ensuring the execution of risk plans, and evaluating their effectiveness in reducing risk. Risk monitoring and control records risk metrics that are associated with

implementing contingency plans. Risk monitoring and control is an ongoing process for the life of the project. The risks change as the project matures, new risks develop, or anticipated risks disappear.

Good risk monitoring and control processes provide information that assists with making effective decisions in advance of the risk's occurring. Communication to all project stakeholders is needed to assess periodically the acceptability of the level of risk on the project.

The purpose of risk monitoring is to determine if:
- Risk responses have been implemented as planned.
- Risk response actions are as effective as expected, or if new responses should be developed.
- Project assumptions are still valid.
- Risk exposure has changed from its prior state, with analysis of trends.
- A risk trigger has occurred.
- Proper policies and procedures are followed.
- Risks have occurred or arisen that were not previously identified.

Risk control may involve choosing alternative strategies, implementing a contingency plan, taking corrective action, or replanning the project.

10.8 Related Templates (see Section IV for details)

- Risk Log
- Project Issue Report
- Project Charter
- Project Contract
- Project Launch Proposal

10.9 References

A Guide to the Project Management Body of Knowledge (2000 edition)
- Chapter 11 – Project Risk Management.   Pages 127 – 146
  - Risk Management Planning   Page 129
  - Risk Identification   Page 131
  - Qualitative Risk Analysis   Page 133
  - Quantitative Risk Analysis   Page 137
  - Risk Response Planning   Page 140
  - Risk Monitoring and Control   Page 144

Managing Successful Projects with Prince2
- Chapter 17 – Management of Risk   Page 239 – 252
  - Risk Analysis   Page 243
  - Risk Management   Page 246

Skillsoft e-Learning modules
- Project Risk Planning and Identification   Course Code (PROJ0491)
- Project Qualitative Risk Analysis   Course Code (PROJ0492)
- Project Quantitative Risk Analysis   Course Code (PROJ0493)
- Project Risk Response Planning   Course Code (PROJ0494)
- Project Risk Monitoring and Control   Course Code (PROJ0495)

Skillsoft e-Learning Simulation
- Project Risk Management   Course Code (PROJ0490)

Successful Project Managers need to balance their natural desire to complete the tasks involved in the project in accordance with the Triple Constraint (Schedule, Cost and Function) with the development, growth and job satisfaction of team members. In short, without the support of the team the tasks will fail.

In respect of people management the project environment provides both challenges and opportunities and understanding the issues will help you to minimise the former and maximise the latter.

11.1 Human Resources Management Do's and Don'ts

Do's	Don'ts
• Treat people as individuals. Everyone has their own individual motivational drivers. • Spend more time listening than talking. • Value different views, experiences and beliefs. • Make decisions slowly when people are involved. No decision may be better than the wrong decision. • Build relationships rather than walls. • Treat people consistently. • Provide and seek regular feedback.	• Assume that everyone is motivated in the same way. • Judge an individual's value by their position in the organisation. • Delegate a task and then make decisions about it without discussing them with the appointee. • Make promises that you cannot keep. • Assume that silence means assent. • Impose your own solutions • Act without knowledge, understanding and, where appropriate, consultation.

11.2 Human Resources Management
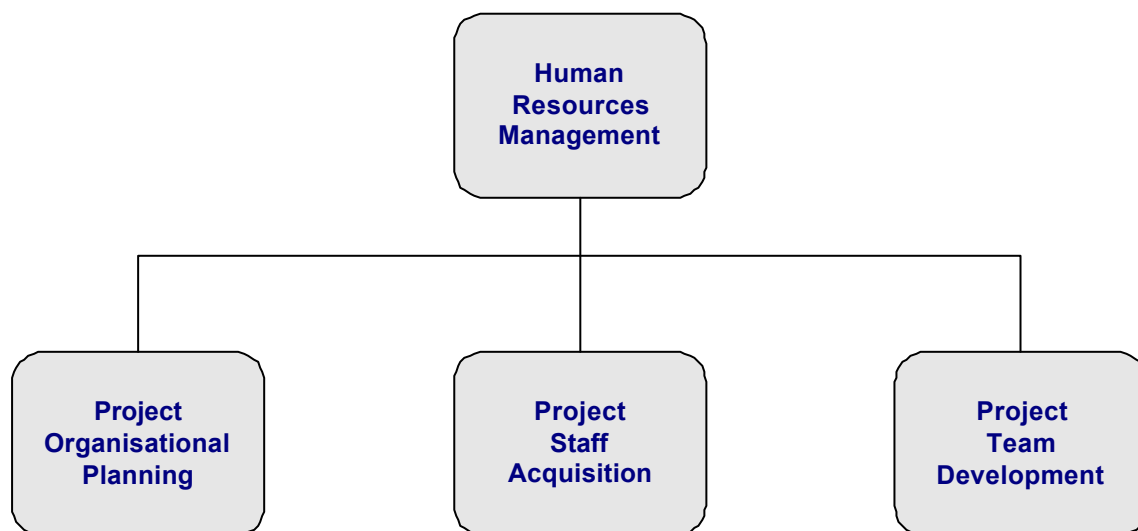
11.3 Organisational Planning

The extended project team will need to understand:
- **Organisational Breakdown Structure (OBS) –** A graphic display of project reporting relationships similar in appearance to a Work Breakdown Structure.
- **Roles and responsibilities** - A combination of role descriptions (tasks, measures of success, reporting paths and limits of authority) and Responsibility Matrices (see 3.4)
- **Communication channels** – What will exist using what media and at what frequency.
- **Staffing Management Plan** – When and how human resources will be brought onto, and released from, the project.

11.4 Staff Acquisition

Staff acquisition involves:
- Identifying the right resources for the roles
- Finding the right people
- Negotiating availability and costs
- Identifying any initial training needs

Negotiation

In his book 'Creative Negotiating' Gordon Shea defines negotiating as:

"...a process whereby two or more partners meet and, through artful discussion and creativity, confront a situation and arrive at a solution that best meets the needs of all parties and secures their commitment to fulfilling the agreement reached."

Successful negotiation is based on mutual respect between the parties involved, an assertive style and thorough preparation. When approaching a negotiation you will need to think about:
- The issues to be negotiated and how important they are to you.
- Your ideal outcome for each issue. This should be the best that you can reasonably expect to achieve (but remember that an unrealistically high ideal may alienate the other party).
- Your fallback for each issue. This should be the minimum that you would still regard as a positive outcome.
- Your strengths and weaknesses.
- The other party's strengths and weaknesses.

During a negotiation always remember that you should never give anything away for nothing but should always be prepared to give something for something.

11.5 Team Development

The performance of the team will depend both on the skills of individuals and the ability of the team to operate as a single entity. To achieve this the Project Manager will need to be proficient in the following skills:
- Communication
- Leadership
- Motivation
- Delegation
- Facilitation

Many theories exist to provide the Project Manager with a background understanding of these key areas (e.g. Maslow, Herzberg and Vroom on motivation; Kotter and Kilcourse on leadership) but the key message is to treat individuals as individuals while not losing sight of the tasks to be completed. The notes below offer guidance on the practical application of the theories.

Communication
See Chapter 13 - Communications Management.

Leadership
Field Marshall Lord Slim defined the difference between leadership and management as:

"Management is of the mind, it involves skills and its practice is a science; leadership is of the spirit, it involves qualities and its practice is an art."

The Project Manager has to be both leader and manager to the project team. In practice this means balancing the demands of the task, the team and the individuals. The table below lists the Project Manager's responsibilities in each area:

Task	Team	Individual
• Provide clear definitions • Establish success criteria • Agree realistic timescales • Provide necessary resources • Monitor & control progress	• Define roles & responsibilities • Set standards • Establish working practices • Encourage discussion • Ensure involvement	• Understand needs • Delegate responsibility • Give recognition • Provide development • Enable achievement

Motivation
There is a minimum level of effort that people recognise they need to demonstrate in order to survive in role. To operate above this level the individual must deliver what is known as discretionary effort. The objective of motivation is to encourage team members to consistently deliver this discretionary effort. This requires the Project manager to:
• Understand the needs of individuals
• Match rewards to needs
• Demonstrate that effort leads to performance
• Establish a link between performance and reward
• Provide feedback on performance
• Deliver rewards in return for performance

Delegation
Delegation is often confused with allocation. Allocation is the assigning of tasks to individuals that would normally be their responsibility. Delegation is the assigning of elements of your own job, together with some degree of decision-making authority, to a subordinate, colleague or manager. Delegation provides the following benefits for the delegator, the delegate and the organisation:
• Broadens the organisation's skill base
• Provides time for the delegator to develop new skills
• Provides an opportunity to discover new ideas and methods
• Helps individuals to develop
• Motivates the delegate

Effective delegation requires that:
• The delegating manager has the authority to delegate the task
• The recipient understands the task to be delegated
• The recipient has the required skills to do the work
• Performance standards are agreed
• Limits of authority are clearly defined and understood

- Lines of communication are established
- The recipient has the full support of the manager

Facilitation

A good facilitator is a catalyst for group discussion, problem solving and consensus seeking. The Project Manager needs to recognise that it is not their job to create project plans, design solutions, make technical decisions or solve problems. The role of the Project Manager is to create an environment in which the team can do these things – to own the process not the product. This will result in better decision-making, a stronger team identity and increased buy-in from team members. Good facilitation requires that:

- Participants are clear about the objectives to be met
- Participants understand the process and have time to prepare
- Everyone is enabled and encouraged to contribute
- The process is respected by all participants
- Negative contributions are reframed as positive
- Decisions are reached through consensus

11.6 Related Templates (see Section IV for details)

- Project Charter
- Project Contract
- Project Launch Proposal

11.7 References

A Guide to the Project Management Body of Knowledge (2000 edition)
- Chapter 9 – Human Resources Management.   Pages 107 – 116
  - Organisational Planning   Page 108
  - Staff Acquisition   Page 112
  - Team Development   Page 114

Skillsoft e-Learning modules
- Project Organisational Planning   Course Code (PROJ0471)
- Project Staff Acquisition   Course Code (PROJ0472)
- Project Team Development   Course Code (PROJ0473)

Stakeholders are defined as those individuals who are affected either directly or indirectly by a specific change or those individuals or groups who by virtue of their position could have a direct impact upon the viability of the project. They may be internal or external to the host organisation.

From a Project Management viewpoint knowing who these people are, communicating with them and keeping them committed to the project is vitally important to the success of the project.

12.1 Stakeholder Management Do's and Don'ts

Do's		Don'ts

• Ensure that your stakeholder plot is:
   • Comprehensive
   • Constantly reviewed to identify new stakeholders or changing priorities.
   • Shared with your team
• Make sure you understand how the Key Stakeholders view your project.
• Tailor influencing and communication strategies to meet the needs of each individual or group of stakeholders.
• Use groups of allies to positively influence undecided groups
• Check to make sure your strategies are working. Have people changed their allegiance as a result of your activities?
		• Treat Stakeholder management as an afterthought or a low priority task. It is one of the most critical determinants of project success.
		
		• Fall into the trap of thinking that you have nothing to communicate.
		• Ignore stakeholders who are powerful and opposed to your initiative in the hope that they will go away.
		• Allow vocal opponents to hi-jack your influencing strategy.
		• Assume that resistance is caused by lack of information and can be countered by logical argument.

12.2 Stakeholder Management - major stages

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│ Stakeholders  │ │ Stakeholder   │ │  Influencing  │
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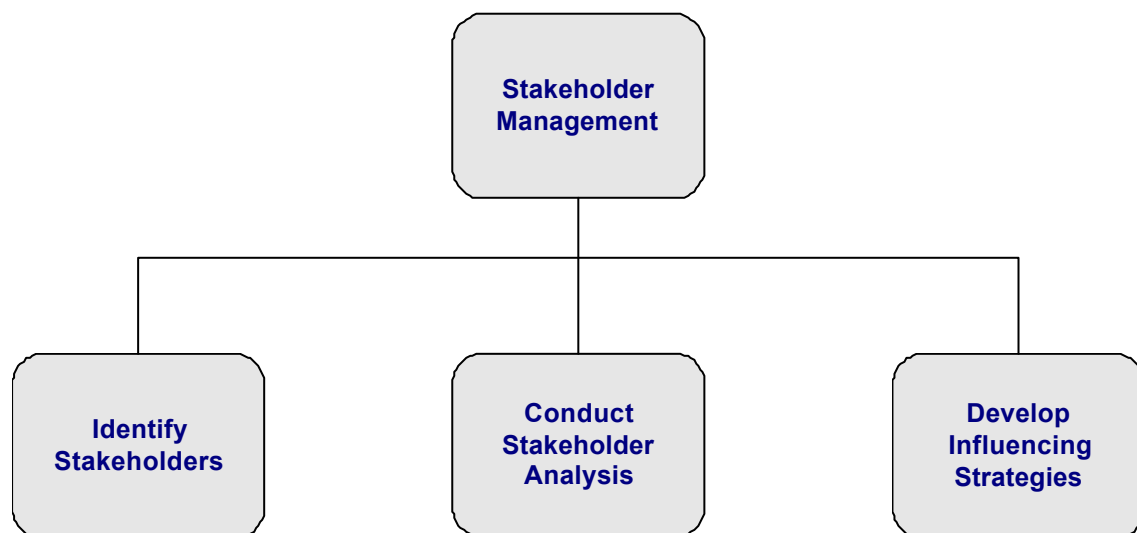
12.3 Stakeholder Identification

Basic identification is essential, but it is not enough; involve as many people as possible in drawing up a stakeholder identification list and note those that are directly affected and those that are indirectly affected. This helps you to prioritise attention, but remember all need to be addressed at some time and any, whatever their status, can be very powerful.

The stakeholder list is dynamic, it should be reviewed regularly as new stakeholders may come into play or known stakeholders may change their position or the priority they accord to the proposed change. This is particularly the case when a risk or issue comes into play or there is a change request that significantly impacts functionality or resource usage.

The stakeholder list is not confidential - it can be used as an influencing tool in it's own right.

For the most influential stakeholders, a stakeholder plan can be created identifying the stakeholder, their position in the organisation, their expected support of the project (strong, medium, weak) and the project manager's required actions to communicate with them and keep them committed.

Generally four issues need to be considered in relationship to each of the identified stakeholders:
- **Position** - For or Against. In simple terms this is probably a function of WIIFM - What's in it for me? - What will I get out of the proposed change (the what may well be linked to motivational factors)
- **Priority** - What is important to individuals, will stimulate their interest.
- Influence - The effect someone (or something) has on another. Links to motivation when ££, status, etc. are involved. People are influential in terms of their power base, credibility, rarity (specialist) factor
- **Power** - The ability to influence, do, act, decide, can relate to authority or strength - MD, CEO and unions

12.4 Basic Stakeholder Analysis

The point of stakeholder analysis is to assess 'buy-in' and to understand what is important to each group of stakeholder. Armed with this knowledge it is then possible to design influencing strategies.

A good starting technique is to plot the "buy-in" in relationship to a given change and state whether the stakeholder will make the change happen, help it happen, let it happen or is not committed.

If there is little support across all key stakeholders the motivation and rationale for the change should be questioned. If there is overall support little more may need to be done , (a very rare occurrence).

Next we need to compile a list of "hot buttons" for the change, these are often linked to the mechanisms by which the everyday performance of stakeholders measured. Obviously these change from project to project, but typical examples may be, capacity, £££, quality, through-put, people.

Build-up of stakeholder matrix

Key Players	Not Committed	Let	Help Make	££	Train-ing	Throughput	Capacity	Complaints
MD		x →		x				
Director of Opns			x →	x		x	x	
CL	x →			x		x	x	x
Unions			x →		x		x	
Box Office	x →			x	x			
IT			x →	x	x	x	x	

etc.

x - where they are

→ - where they should be

Hot buttons
Important factors

These factors are likely to be reflected within the organisational objectives. If a stakeholder is responsible for managing finance and maintaining profit margins, discussing the change benefits in terms of quality is unlikely to impress. Couching change benefits for this stakeholder in financial terms will motivate his/her commitment to the change.

The matrix can be extended to include other aspects, for example the identification of each project within a change programme.

This matrix is a very effective tool for monitoring 'buy-in' and support or alternatively predicting likely areas of resistance to the change.

12.5 Developing influencing strategies - Communicating with Stakeholders

The stakeholder analysis shows that the various stakeholders have differing "Hot Buttons" and therefore require different messages. However, we also need to consider that differing management groupings respond to differing message packaging. The following provides some guidance on communication methods that have proved effective.

Senior management and executives
This group may have generated the change, but often think that they have 'handed the responsibility off' to the change team and other managers in the organisation. The messenger will need to –
- Articulate and share the organisational vision
- Link the change initiative to the strategy
- Show the impact of change in key performance indicators
- Enlist charismatic change agents into communication events

Building clarity around the drivers for change by describing real organisational pain in terms of business goals is a powerful motivator. A less subtle approach is to consider their personal objectives and explain how the change will ensure end of year bonuses.

Middle management
Middle managers have reason to fear any change – history shows that their positions are always vulnerable in the face of change. They have previous experience of 'seeing change out' and may ignore the need for change as a result. They are influenced by the senior team and will 'take their cues from the top'. It is essential therefore that any message is given consistently, honestly, sincerely and in a timely manner with the rationale for change being re-enforced.

Ways in which this group is expected to support the change must be clarified. Use routine meetings, extra-ordinary meetings with the senior team, focus groups, participation in workshops and presentations, one-to-ones, capture opportunities in management training events

First-line Supervisors
Active involvement and support are essential. Clear information about why the change is required and at the appropriate level will help understanding. Opportunities to make an active and respected contribution to the change will encourage commitment, as will fully describing the new roles and ways of working. Newsletters, which include their contribution, can be useful, but encouragement from senior managers gives a personal touch.

12.6 Review Effectiveness

Gaining feedback to test the effectiveness of your communication plan is important. By simply listening to what people are saying and how they are saying it, managers can establish understanding of key messages.

12.7 Related Templates (see Section IV for details)

- Project Charter
- Project Contract

12.8 References

A Guide to the Project Management Body of Knowledge (2000 edition)
- Chapter 2 – Project Management Context   Pages 16

Skillsoft e-Learning modules
- Project Communications Planning   Course Code   (PROJ0481)
- Project Performance Reporting   Course Code   (PROJ0482)

Communications planning involves determining the information and communications needs of the stakeholders: who needs what information, when will they need it, and how will it be given to them. While all projects share the need to communicate project information, the information needs and the methods of distribution vary widely. Identifying the informational needs of the stakeholders and determining a suitable means of meeting those needs is an important factor for project success.

On most projects, the majority of communications planning is done as part of the earliest project phases. However, the results of this process should be reviewed regularly throughout the project and revised as needed to ensure continued applicability.

Communications planning is often tightly linked with organisation planning since the project's organisational structure will have a major effect on the project's communications requirements.

13.1 Communications Management Do's and Don'ts

Do's		Don'ts
• Consider the needs of each stakeholder		• Adopt "shotgun" or "haystack" approaches to communication
• Consider the communication preferences (delivery, format and frequency) of each stakeholder		• Use communication to avoid responsibility
• Try to operate the project in a glass box i.e. no surprises		• Forget to keep your change champions on-board
• Build-in feedback mechanisms		• Fail to respond to feedback from stakeholders
• Track the effects of your communication and modify your approach accordingly		

13.2 Communications Management - major stages
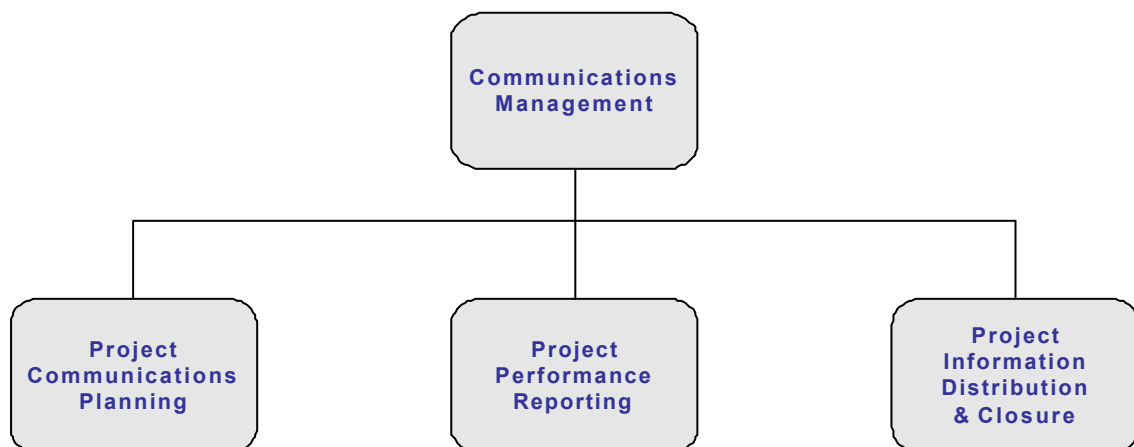
NOTE: See Chapter 14 of this Handbook for Progress Reporting

Communications requirements are the sum of the information requirements of the project stakeholders. Requirements are defined by combining the type and format of information required with an analysis of the value of that information. Project resources should be expended only on

communicating information, which contributes to success or where lack of communication can lead to failure.

Information typically required to determine project communications requirements includes:
- Project organisation and stakeholder responsibility relationships
- Disciplines, departments, and specialities involved in the project
- Logistics of how many individuals will be involved with the project and at which locations
- External information needs (e.g. communicating with the media)

The information needs of the various stakeholders should be analysed to develop a methodical and logical view of their information needs and sources to meet those needs. The analysis should consider methods and technologies suited to the projects that will provide the information needed. Care should be taken to avoid wasting resources on unnecessary information or inappropriate technology.

13.3 Communications Planning
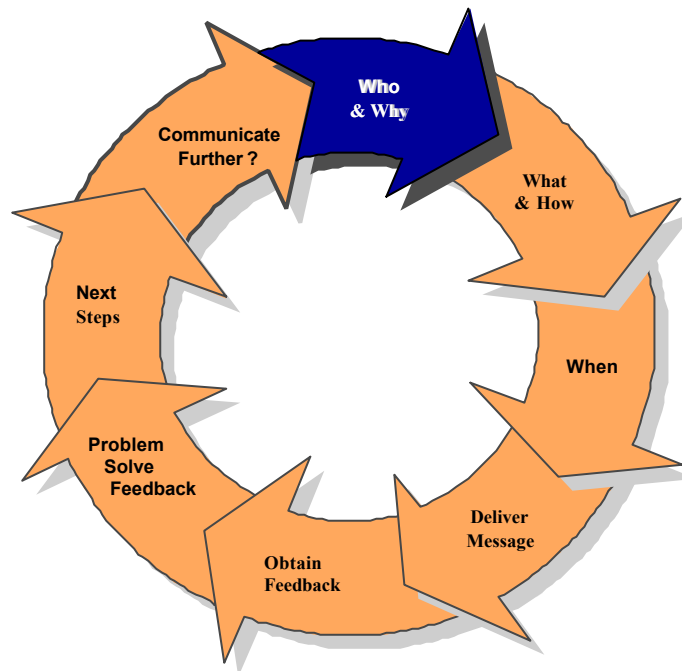
The cycle begins with consideration of who needs to be included in the communications plan (e.g. stakeholders, external suppliers, who in the business community, other project managers etc.) and why. This will lead to the next step in which the specific information needs are determined and how best to satisfy those needs using the most appropriate tools and techniques at the organisation disposal. This naturally leads to consideration of frequency and treatment (format) of communication required. E.g. Daily, weekly, monthly, Ad hoc, at start of project, as part of team member induction etc. This culminates in the building of proposals and final communications plan. Once the plan is agreed and approved, it is implemented and we start to deliver the "messages" and information.

However, this is only half the story. Communication planning needs to consider how effectively the "messages " and information are being received. Therefore the cycle moves on to consider ways of capturing feedback and measuring the effectiveness of the communication media being utilised. If there are problems then these will have to be addressed and dealt with promptly to avoid possibility of a significant communication failure within the project. This may result in changes and or enhancements to the communications plan, which in turn can create further communication needs

and demands from others. E.g. Does this information/message need to be communicated to other people or groups does the detail need to change to make it more appropriate/easily understood by the recipients. This therefore takes us back to the start of the cycle ready for another iteration to accommodate these new/additional needs.

Communications profiling can be shown, on a large project or programme, Quarter by Quarter basis as follows: This matrix provides a high level view of the communications needs on a quarterly basis throughout the project lifecycle. It is intended to show the over-riding communication needs and objectives, how it is intended to address them and who will be involved in ensuring these objectives are met. This forces a "pre-think" for the entire project. However, more detailed plan would be prepared for the each quarter as it approaches.

Profiling Approach

	Q3 2000	Q4 2000	Q1 2001	Q2 2001	Q3 2001	Q4 2001
Communication Needs						
Approach						
Responsibilities						

13.4 Outputs from communications Planning

A communication management plan is a document, which provides:
- A collection and filing structure, which details what method will be used to gather and store various types of information. Procedures should also cover collecting and disseminating updates and corrections to previously distributed material.
- A distribution structure which details to whom information (status reports, data, schedule, technical documentation, etc) will flow, and what methods (written reports, meetings, etc) will be used to distribute various types of information. This structure must be compatible with the responsibilities and reporting relationships described by the project organisation chart.
- A description of the information to be distributed, including format, content, level of detail, and conventions / definitions to be used
- Production schedules showing when each type of communication will be produced
- Methods for accessing information between scheduled communications
- A method for updating and refining the communications management plan as the project progresses and develops

The communications management plan may be formal or informal, highly detailed or broadly framed, based on the needs of the project. It is a subsidiary element of the overall project plan.

13.5 Information Distribution

Information distribution involves making needed information available to project stakeholders in a timely manner. It includes implementing the communications management plan as well as responding to unexpected requests for information.

Information can be shared by team members through a variety of methods including manual filing systems, electronic text databases, project management software, and systems which allow access to technical documentation such as engineering drawings.

Project information may be distributed using a variety of methods project meetings, hard copy document distribution, shared access to networked electronic databases, fax, electronic mail, voice mail, and video conferencing.

13.6 Outputs from Information Distribution

Project records may include correspondence, memos, reports, and documents describing the project. This information should, to the extent possible and appropriate, be maintained in an organised fashion. Project team members may often maintain personal records in a project notebook.

13.7 Related Templates (see Section IV for details)

- Project Charter
- Project Contract
- Launch Proposal

13.8 References

A Guide to the Project Management Body of Knowledge (2000 edition)
- Chapter 10 – Project Communications Management.   Pages 117 – 126
  - Communications Planning   Page 119
  - Information Distribution   Page 121
  - Performance Reporting   Page 122
  - Administrative Closure   Page 125

Managing Successful Projects with Prince2
- Appendix A – Communications Plan   Page 323

Skillsoft e-Learning modules
- Project Communications Planning   Course Code   (PROJ0481)
- Project Performance Reporting   Course Code   (PROJ0482)
- Project Information Distribution and Closure   Course Code   (PROJ0483)

Skillsoft e-Learning Simulation
- Project Communications Management   Course Code (PROJ0480)

Progress reporting is intended to ensure that all those concerned are aware of the current status of the project, the reasons behind the status and any actions that need to be taken. It requires that accurate reporting of what actually happened compared with what was planned to happen. This can only be achieved by establishing a steady flow of information that provides an overall view of progress and simple, robust monitoring systems to supply the information.

14.1 Progress Reporting Do's and Don'ts

Do's		Don'ts
• Report progress against plan: • List achievements in this period • Performance on Budget and Schedule • Plans for next period • Problems experienced & actions taken • Changes in status of any risks • Use knowledge of current performance to forecast likely future achievements. • Target the report against the audience; provide enough detail to permit rational decision-making. • Track and report any management actions that are agreed.		• Just comment upon an activity. • Rely on what people tell you. • Just tell people what you think they want to hear. • Calculate effort remaining by subtracting time spent from the starting estimate. • Assume you can catch up in the next reporting period. • Hide things.

14.2 Progress Reporting - major stages
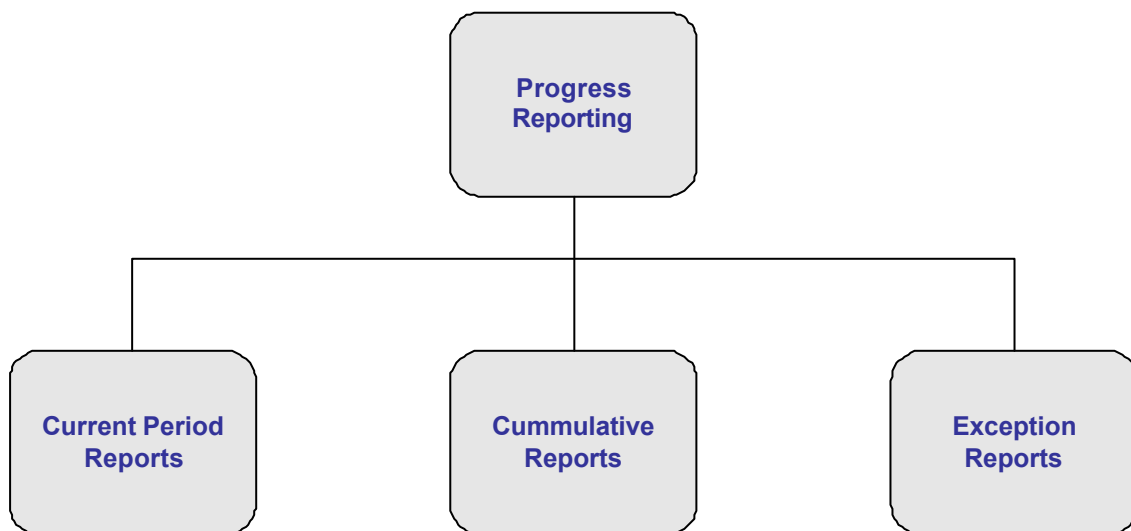
14.3 Current Period Reports

These reports cover only the most recently completed period and they give current information on the state of the project with regard to the achievement of the agreed milestones. The report concentrates upon dates and deadlines, highlighting problems and issues that are affecting them. In addition it reports on the costs associated with the project and how the budget is being used.

As a minimum the report should contain:
- Achievements in the current period
- Planned tasks that have been started and their current state
- Tasks completed as planned
- Tasks started that were not planned for this period
- Tasks that were planned to complete but have not – and reasons why
- Any variance that may have impacted the critical path and if the deviation is negative, suggestions on how to recover the situation.
- Actual or potential problems, together with suggestions for their resolution
- Budget performance against plan
- Resource performance against plan
- Achievements expected in the next period

An example of a simple weekly progress report is shown below.

Section 1: Summary

Activity	Status	Plan	Actual	Estimate	Comment
Define Current Workflow	●	5 days	4 days	4 days	Complete
Evaluate Workflow	🔴	3 days	3 days	4 days	Ref: R1
Design New Workflow	🟡	4 days			Ref: A1
Agree Roles		5 days			
Sign-off New Workflow		5 days			

Section 2: Amber Issues
A1: Design New Workflow has been delayed due to problems with the Evaluate Workflow task (see R1). However, some difficulties were anticipated and this take is still within its float.

Section 3: Red Issues
R1: Evaluate Workflow has been delayed due to greater than expected difficulties with responses to queries. Although some problems were expected the delay is greater than was allowed for and the activity is estimated to need a further days work.

14.4 Cumulative Reports

These reports contain the history of the project from the beginning to the end of the current reporting period. They show trends in the project progress, for example a cost or schedule variance can be tracked over several reporting periods to show how performance changes as a result of management action. The advantage of trend reporting is that it gives early warning of potential

problems, allows the project manager to project forward based upon current performance to predict if and /or when project tolerances may be exceeded. Current performance is the best indicator of future performance and therefore using trend data it is possible to forecast cost or schedule overruns at quite an early stage in a project. This is often done graphically using the "S" curve.
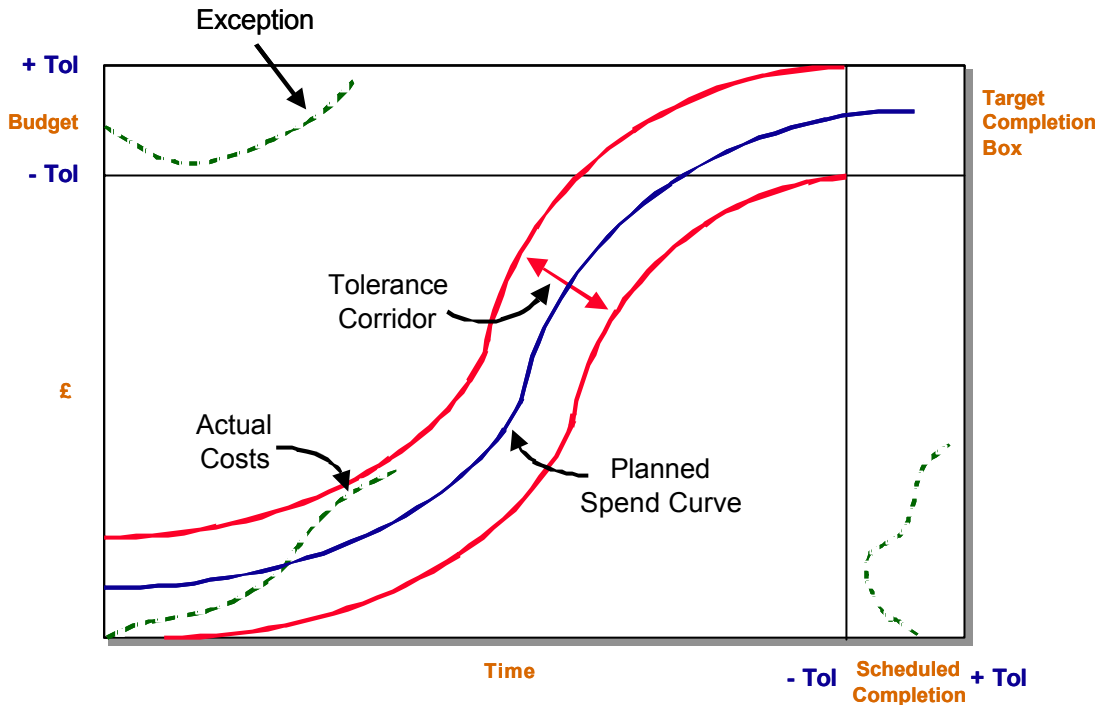
The most comprehensive trend analysis technique is the Earned Value Method. A description of this technique may be found in the PMBOK 2000: Chapter 7 – page 92, and Chapter 10 – page 123.

14.5 Exception Reports

These reports are used to identify to senior management when a project is likely to move outside the predetermined cost and schedule tolerances set at the outset of the project. Under these conditions exception planning and reporting is mandatory.

An exception can be described in two ways:
- Project Management exception – a time and/or cost forecast outside of the tolerance limits
- Technical exception – a change in requirement causing a Project Management exception

Cumulative reporting means that the project manager need not wait until there has been a breach of the tolerance limits before taking action, if it becomes obvious that time/costs are beginning to drift then corrective action should be taken.

An exception report, for onward transmission to the project sponsor/steering committee should contain the following;
- Situation – a clear and complete description of the problem or potential breech
- Phase impact – what the likely impact on the time/cost parameters for the phase currently under way
- Options for action – alternative courses of action aimed at solving the exception
- Recommendation – best fit solution to rectify the situation
- Updated plans – revised plan and schedule
- Budget plans – cost impacts on the project budget

- Additional / changed risks – reviewed risk log
- Project impact – overall impact on the project

Important: An exception is not an admission of failure. Ignoring it and hoping it will go away is.

14.6 Related Templates (see Section IV for details)

- Progress Report
- Exception Report

14.7 References

A Guide to the Project Management Body of Knowledge (2000 edition)
- Chapter 7 – Project Cost Management.   Pages 83 – 93
  - Earned Value Management   Page 92
- Chapter 10 – Project Communications Management   Pages 117 – 126
  - Tools and techniques for performance reporting   Page 123

Managing Successful Projects with Prince2
- Chapter 7 – Controlling a Stage   Page 100 – 102

Skillsoft e-Learning modules
- Project Performance Reporting   Course Code   (PROJ0482)

Procurement management covers all the processes and activities required to acquire goods and/or services from third party suppliers that contribute to the agreed project deliverables. It generally constitutes four discrete areas of activity namely; planning, solicitation, source selection and contract management. The extent to which the project manager becomes involved with procurement will be dependent upon the project approach that is determined in the initiations phase of the project.

15.1 Procurement Management Do's and Don'ts

Do's	Don'ts
• Use contractors previous performance as part of the source selection process • Document and agree evaluation criteria as part of the preparation of the Statement of Work (SOW). • Use as many objective evaluation criteria as possible • Use a weighting system where criteria are largely subjective. Use sensitivity analysis on the weight to validate rank order. • Ensure that all bidders receive exactly the same access and information. If bidders pose questions the response should be shared with all bidders. • Where vendor presentations are demanded ensure that it is covered in detail in the evaluation criteria	• Sign contracts that have not been reviewed by the legal department. • Allow contractors to use different reporting, change or quality procedures to the rest of the project. • Engage in informal agreements with contractors – document everything. • Authorise any change without fully understanding the impact upon the contract payment terms. • Authorise payment for products that have not been accepted and passed quality approval. • Exceed designated purchase authority

15.2 Procurement Management - major stages
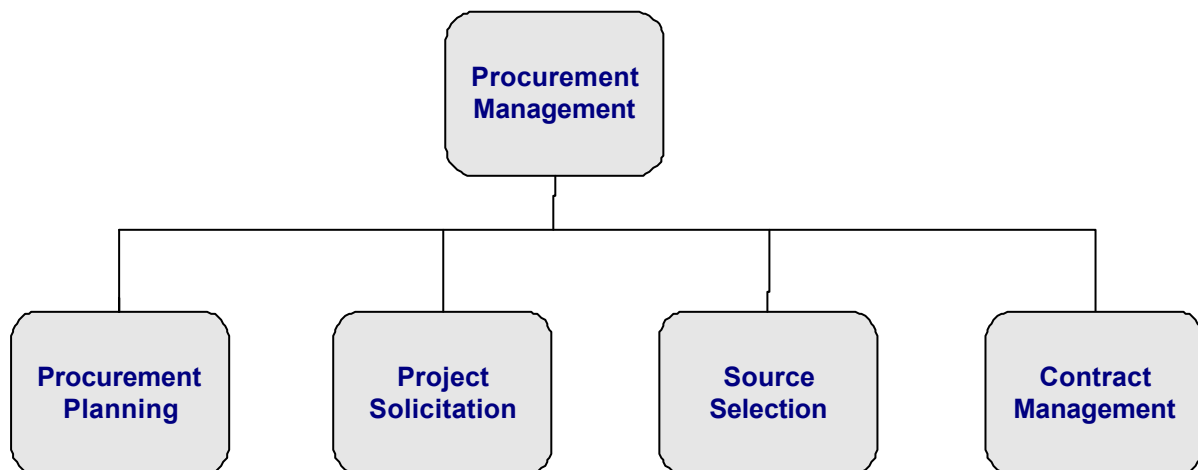
15.3 Procurement Planning

During the initiation phase of the project a scope definition will have been created which defines the boundaries of the project and the critical interfaces with other systems and projects. In addition a project approach will have been developed as a result of a "make or buy" analysis. The project approach will define which elements of the project deliverables are to be provided by third parties the project team will then need to produce a procurement management plan and statement of work for each of the products or services to be acquired.

The procurement plan

This will set out how the remaining three phases of the procurement will be handled. It will set out the type of contract to be used, e.g.

- Fixed price – an agreed total price for a well-defined product. Sometimes incentives could be built in for meeting or exceeding project objectives such as delivery date.
- Cost Reimbursable – this involves payment to the seller for all actual costs incurred (whether direct or indirect) plus a fee which represents the sellers profit. Again this type of project often includes incentives for exceeding schedule or total cost.
- Time and Material – this is a hybrid of the previous two types of contracts. These contracts are open ended in that the full value of the contract is not, or cannot be, determined at the outset. It is similar to fixed cost in that agreed rates are set for certain types of resource / service for the duration of the contract. The actual billing is dependent upon the costs incurred by the seller, thus the contract can grow in value in the same was as a cost reimbursable contract.

The plan must also set out how multiple providers will be handled and how interfaces with all aspects of the project will be managed. Specifically the project team should consider how the following issues will be handled;

- How will the supplier report progress and under what conditions must they escalate issues?
- How will the views of the supplier be represented to the project steering board?
- How will quality be handled, and what product acceptance criteria will be applied?
- What organisational change management procedures will be used?
- How will changes to specification be handled contractually?
- How will the supplier risk assessment be incorporated and reflected in the overall project risk management plan?
- The supplier is now a Key Stakeholder – how will communication interfaces be handled?

The key deliverable from the procurement planning activity is a Statement of Work (SOW). This sets out in detail the specification of the product to be provided – it should be detailed enough for prospective suppliers to determine if they are capable of providing the specified product. Where appropriate the SOW should also set out any requirements for post project operational support or maintenance.

15.4 Project Solicitation

Solicitation involves obtaining bids and proposals from prospective suppliers. Often organisations maintain lists of preferred suppliers or qualified sellers, in both cases lessons learned from performance on previous contracts can be useful in compiling the list of prospective suppliers.

Where the nature of the work is new and open tender is being considered it may be appropriate to hold a bidders conference. This is a vehicle designed to ensure that all prospective bidders have a clear and common understanding of the technical and contractual requirements of the bid. Responses to questions can then be included in amended procurement documents. It is essential that all information is promulgated to all potential bidders and that all bidders remain on an equal footing throughout the process.

15.5 Source Selection

Source selection involves the application of pre-determined evaluation criteria to the received bids to select a provider.

Evaluation criteria are used to rate or score proposals, the criteria used may be objective i.e. is the proposed system SCORM compliant? Yes/No; or subjective – ease of updating records. Typical categories for selection criteria are:
- Understanding of need
- Through life cost
- Development approach – or management approach
- Technical capability of the provider (including proven relevant experience) or technical / operational aspects of any standard product being offered as part of the solution.
- Financial capacity
- ISO accreditation or similar
- Compliance with relevant standards, operating procedures or legislative requirements
- Ability to integrate / interoperate with existing systems
- Security considerations, data protection, freedom of information compliance

Where the evaluation criteria are heavily skewed towards subjective assessments consideration should be given to applying weighting to these criteria. The use of weighting systems can overcome the possibility of personal prejudice in the judgement process and also facilitates sensitivity analysis – where weights can be adjusted to examine the overall effect on supplier ranking.

The output of the source selection process is the placement of a contract, purchase order, or memorandum of understanding etc.

15.6 Contract Management

Contract management consists of the ongoing activity of contract administration, ensuring that the sellers performance meets the contractual requirements; and contract close out, which involves ensuring that all work was completed satisfactorily and then closure and archiving of contract documentation.

The key areas of administrative activity for the project team are:
- In the execution phase – the timely authorisation of work packages
- Performance reporting to monitor the contractor performance against cost, schedule and technical performance
- Quality control of the products produced
- Change control – ensuring that any change requests are adequately managed and their impact upon delivery against contract fully understood.
- Risk management – the impact of any risks and issues experienced by the contractor on the overall project plan.
- Financial control – payment systems, reviews and approvals. Including levels of financial sign off.
- Regular review against project milestones and service level agreements.

On completion of all contract activity formal written notice should be provided to the seller that the products have been accepted and the contract completed. All procurement files should be closed and a report prepared on contractor performance as an input to future source selections.

15.7 Related Templates (see Section IV for details)

- Project Contract
- Project Launch Proposal

15.8 References

A Guide to the Project Management Body of Knowledge (2000 edition)

- Chapter 12 – Project Procurement Management.   Pages 147 – 160
  - Procurement Planning   Page 149
  - Project Solicitation   Page 153
  - Project Source Selection   Page 155
  - Project Contract Management   Page 156

Skillsoft e-Learning modules

- Procurement Planning   Course Code (PROJ0501)
- Project Solicitation   Course Code (PROJ0502)
- Project Source Selection   Course Code (PROJ0503)
- Project Contract Management   Course Code (PROJ0504)

SECTION III:
PROJECT MANAGEMENT GLOSSARY OF TERMS

- **Acceptance Criteria:** A prioritised list of criteria, which the final product(s) must meet before the Customer, will accept them.
- **Activity:** An element of work performed during the course of a project. An activity normally has an expected duration, an expected cost, and expected resource requirements. Activities can be subdivided into tasks.
- **Activity Definition:** Identifying the specific activities that must be performed to produce the various project deliverables.
- **Activity Duration Estimating:** Estimating the number of work periods that will be needed to complete individual activities.
- **Activity Sequencing:** Identifying and documenting interactivity logical relationships.
- **Administrative Closure:** The project or phase, after either achieving its objectives or being terminated for other reasons, requires closure. Administrative closure consists of documenting project results to formalise acceptance of the product of the project by the sponsor, or customer. It includes collecting project records; ensuring that they reflect final specifications; analysing project success, effectiveness, and lessons learned; and archiving such information for future use.
- **Approach:** The approach to realising the solution (Buy, Build, Customise or Outsource?).
- **Assumptions:** Assumptions are factors that, for planning purposes, are considered to be true, real, or certain. Assumptions affect all aspects of project planning, and are part of the progressive elaboration of the project. Project teams frequently identify document, and validate assumptions as part of their planning process. Assumptions generally involve a degree of risk
- **Baseline:** The original approved plan (for a project, a work package or an activity), plus or minus approved scope changes. Baseline is a position or situation that is recorded. Although the position may be updated later, the baseline remains unchanged and available as a reminder of the original state and as a comparison against the current position.
- **Business Case:** Information that describes the justification for setting up and continuing a project. It provides the reasons (answers the question 'Why?') for the project. It is updated at key points throughout the project.
- **Business Project Leader:** The person given the authority and responsibility for ensuring that the business objectives are fully met by the project plan. The business project leader continuously oversees all project phases and ensures that the project produces the agreed deliverables. The business project leader authorises changes to the project, ensures that the project manager operates within pre-agreed tolerances and provides advice and guidance as required. He/she ensures that the business objectives are met and that plans and structures are put in place to facilitate the realisation of business benefits.
- **Calendar Unit:** The smallest unit of time used in scheduling the project. Calendar units are generally in hours, days, or weeks, but can also be in shifts or even in minutes. Used primarily in relation to project management software.
- **Change Control:** The purpose of change control is to manage the change process in a manner that facilitates the rapid and cost effective incorporation of changes that are deemed necessary to fulfil business functionality whilst discouraging cosmetic changes or changes that may be rooted in individual preference.
- **Change Log:** Document used to record changes and change actions associated with a project.
- **Change Request:** A means of proposing a modification to the current specification of the product required. All Change Requests should be documented via the Change Request form. Change Requests are one type of Project Issue.
- **Communications Management:** Project Communications Management describes the processes required to ensure timely and appropriate generation, collection, dissemination, storage, and ultimate disposition of project information. It consists of communications planning, information distribution, performance reporting, and administrative closure.
- **Communications Planning:** Determining the information and communications needs of the project stakeholders: who needs what information, when they will need it, and how it will be given to them.
- **Constraint:** Applicable restriction that will affect the performance of the project. Any factor that affects when an activity can be scheduled.
- **Contingency Planning:** The development of a management plan that identifies alternative strategies to be used to ensure project success if specified risk events occur.

- **Contract Management:** Contract management consists of the ongoing activity of contract administration, ensuring that the sellers performance meets the contractual requirements; and contract close out, which involves ensuring that all work was completed satisfactorily and then closure and archiving of contract documentation.
- **Control:** The process of comparing actual performance with planned performance, analysing variances, evaluating possible alternatives, and taking appropriate corrective action as needed.
- **Corrective Action:** Changes made to bring expected future performance of the project in line with the plan.
- **Cost And Budget Management:** Cost and Budget Management describes the processes required to ensure that the project is completed within the approved budget.
- **Cost Budgeting:** Allocating the cost estimates to individual work activities
- **Cost Control:** Controlling changes to the project budget.
- **Cost Estimating:** Developing an approximation (estimate) of the cost of the resources needed to complete project activities.
- **Crashing:** Taking action to decrease the total project duration after analysing a number of alternatives to determine how to get the maximum duration compression for the least cost.
- **Critical Activity:** Any activity on a critical path. Most commonly determined by using the critical path method. Although some activities are "critical," in the dictionary sense, without being on the critical path, this meaning is seldom used in the project context.
- **Critical Path:** The series of activities that determines the duration of the project. In a deterministic model, the critical path is usually defined as those activities with float less than or equal to a specified value, often zero. It is the longest path through the project. See critical path method.
- **Critical Path Method (CPM):** A network analysis technique used to predict project duration by analysing which sequence of activities (which path) has the least amount of scheduling flexibility (the least amount of float). Early dates are calculated by means of a forward pass, using a specified start date. Late dates are calculated by means of a backward pass, starting from a specified completion date (usually the forward pass' calculated project early finish date).
- **Customer:** The person or group who commissioned the work and will benefit from the end results.
- **Customer Acceptance:** Document that record that the project outcome has been measured against its acceptance criteria and has been formally accepted on behalf of the Customer.
- **Decision Tree Analysis:** The decision tree is a diagram that describes a decision under consideration and the implications of choosing one or another of the available alternatives. It incorporates probabilities or risks and the costs or rewards of each logical path of events and future decisions.
- **Deliverable:** Any measurable, tangible, verifiable outcome, result, or item that must be produced to complete a project or part of a project.
- **Earned Value Management (EVM):** A method for integrating scope, schedule, and resources, and for measuring project performance. It compares the amount of work that was planned with what was actually earned with what was actually spent to determine if cost and schedule performance are as planned.
- **Estimate:** An assessment of the likely quantitative result. Usually applied to project costs
- **Exception:** A situation where it can be forecast that there will be a deviation beyond the tolerance levels agreed between Project Manager and Project Board.
- **Exception Report:** A report that describes an exception, provides an analysis and options for the way forward and identifies a recommended option. These reports are used to identify to senior management when a project is likely to move outside the predetermined cost and schedule tolerances set at the outset of the project. Under these conditions exception planning and reporting is mandatory.
- **Fast Tracking:** Compressing the project schedule by overlapping activities that would normally be done in sequence, such as design and construction.
- **Float:** The amount of time that an activity may be delayed from its early start: without delaying the project finish date. Float is a mathematical calculation, and can change as the project progresses and changes are made to the project plan. Also called slack, total float, and path float. See also flee float.

- **Gantt Chart:** A graphic display of schedule-related information. In the typical Gantt chart, activities or other project elements are listed down the left side of the chart, dates are shown across the top, and activity durations are shown. The Gantt Chart is also known as Bar Chart.
- **Gatekeeper:** The person given the authority and responsibility for approving or declining projects and verifying each stage in the funnel process. The gatekeeper is responsible for assessing the project from a business case perspective to ensure that it will still deliver the expected benefits and for liasing with appropriate specialists to validate the technical integrity of the project. It is likely that the incumbent of the gatekeeper role will change as the project progresses through the IPM funnel phases.
- **Human Resources Management:** Project Human Resource Management describes the processes required to make the most effective use of the people involved with the project. It consists of organisational planning, staff acquisition, and team development.
- **Information Distribution:** Information distribution involves making needed information available to project stakeholders in a timely manner. It includes implementing the communications management plan, as well as responding to unexpected requests for information.
- **Integration Management:** Project Integration Management, describes the processes required to ensure that the various elements of the project are properly co-ordinated. It consists of project plan development, project plan execution, and integrated change control.
- **IPM:** The IPM (Innovation Process Management) funnel is the Unilever standard process for evaluating ideas from around the business. It is based upon a "Stage and Gate" whereby ideas are passed through a series of stages, each representing an increasing level of understanding and detail, and then subjecting the ideas to a series of decision gates in order to assess their value and relevance to the business.
- **Launch Proposal:** The Launch Proposal provides evidence and confirms that the solution is ready to go-live. It includes the agreed service levels and organisational change management plan. This is a gate document in which the Project Manager provides a test plan and an assessment of on-going support and operational requirements.
- **Lessons Learned:** The learning gained from the process of performing the project. Lessons learned may be identified at any point. Also considered a project record.
- **Monitoring:** The capture, analysis, and reporting of project performance, usually as compared to plan.
- **Network Analysis:** The process of identifying early and late start and finish dates for the uncompleted portions of project activities. See also Critical Path Methods (CPM).
- **Organisational Change Management Plan:** The change management plan outlines all the agreed organisational changes derived from the implementation of the project, as well as the related training plans.
- **Organisational Planning:** Organisational planning involves identifying, documenting, and assigning project roles, responsibilities, and reporting relationships. Roles, responsibilities, and reporting relationships may be assigned to individuals or to groups.
- **Pareto Diagram:** A histogram, ordered by frequency of occurrence that shows how many results were generated by each identified cause.
- **Performance Reporting:** Performance reporting involves collecting and disseminating performance information to provide stakeholders with information about how resources are being used to achieve project objectives.
- **Portfolio:** A Portfolio of projects is a grouping of projects, which do not have a common goal, but have something else in common, e.g. a similar business context, or shared resource pool.
- **Portfolio Management:** Portfolio management refers to the selection and support of projects or programme investments. These investments in projects and programmes are guided by the organisation's strategic plan and available resources.
- **Post Implementation Review (PIR):** One or more reviews held after project closure to determine if the expected benefits have been obtained.
- **Prince2:** A method that supports some selected aspects of project management. The acronym stands for 'Projects In Controlled Environments'.
- **Procurement Management:** Project Procurement Management, describes the processes required to acquire goods and services from outside the performing organisation. It consists of procurement planning, solicitation planning, solicitation, source selection, contract administration, and contract closeout.

- **Procurement Planning:** Procurement planning is the process of identifying which project needs can be best met by procuring products or services outside the project organisation and should be accomplished during the scope definition effort. It involves consideration of whether to procure, how to procure, what to procure, how much to procure, and when to procure.
- **Product:** Any input to or output from a project. A distinction should be made between management products (which are produced as part of the management of the project), specialist products (which are those products which make up the final deliverable) and quality products (which are produced for or by the quality process). A product may itself be a collection of other products.
- **Product Breakdown Structure (PBS):** A hierarchy of all the products to be produced during a plan.
- **Product Description:** A description of a product's purpose, composition, derivation and quality criteria. It is produced at planning time, as soon as the need for the product is identified.
- **Product Scope:** Product Scope refers to the features and functions that characterise a product or service.
- **Programme Evaluation And Review Technique (PERT):** An event-oriented network analysis technique used to estimate programme duration when there is uncertainty in the individual activity duration estimates. PERT applies the critical path method using durations that are computed by a weighted average of optimistic, pessimistic, and most likely duration estimates. PERT computes the standard deviation of the completion date from those of the path's activity durations. Also known as the Method of Moments Analysis.
- **Programme:** A group of related projects managed in a co-ordinated way to obtain benefits not available from managing them individually. Programmes usually include an element of ongoing work.
- **Programme Management:** Programme management is a set of, processes, inputs, outputs, organisational structures and ways of thinking that provides a framework within which appropriately qualified and experience people can deliver change whilst coping with complexity, risks, problems and challenges.
- **Progress Report:** Report that contains details of those tasks that were planned to start, end or be on-going during the reported period. The Progress Report should contain the current state of the project in terms of schedule and budget, as well as problems or issue that have arisen or may arise due to the current circumstances of the project.
- **Progress Reporting:** Progress reporting is intended to ensure that all those concerned are aware of the current status of the project, the reasons behind the status and any actions that need to be taken. It requires that accurate reporting of what actually happened compared with what was planned to happen.
- **Project:** A project is a temporary endeavour undertaken to create a unique product or service. Temporary means that every project has a definite beginning and a definite end. Unique means that the product or service is different in some distinguishing way from all other products or services.
- **Project Background:** The project background describes the current business situation and the need for the project. It states how the project contributes to the delivery of business strategy; identifies any dependency on financial, security or legislative policies; and shows how the project relates to similar problems and solutions that may have been already deployed.
- **Project Charter:** The Project Charter is a gate document that is produced as a result of the Initiation phase. The purpose of this document is to provide an initial outline of the problem/opportunity and potential solution.
- **Project Contract:** The Project Contract is a gate document that is produced as a result of the Planning phase, in which the final solution it is proposed. It is composite document that represents a formal agreement between the key stakeholders and states all the related plans that will be executed in the following phase (Execution Phase)
- **Project Definition:** The project definition describes its deliverables, boundaries, assumptions, constraints, interfaces and tolerances.
- **Project Governance:** The project governance is defined by a specific structures and a set of roles that are used to support the decision-making processes and provided standard escalation paths with the minimum of effort.

- **Project Issue:** A term used to cover both general issues and change requests raised during the project. Project Issues can be about anything to do with the project. They cover questions, suggestions, change requests and off-specifications.
- **Project Issue Report:** Document used to record any issue that could arise during the project. It describes the issue, analysing its impact on the projects and the decisions that are made as a consequence of it.
- **Project Lifecycle:** A collection of generally sequential Project phases whose name and number are determined by the control needs of the organisation or organisations involved in the project.
- **Project Management:** Project management is the application of knowledge, skills, tools, and techniques to project activities to meet project requirements. Project management is accomplished through the use of the processes such as Initiation, planning, execution, controlling and closing.
- **Project Management Body of Knowledge (PMBOK):** An inclusive term that describes the sum of knowledge within the profession of project management. As with other professions-such as law, medicine, and accounting-the body of knowledge rests with the practitioners and academics that apply and advance it. The PMBOK includes proven, traditional practices that are widely applied, as well as innovative and advanced ones that have seen more limited use.
- **Project Management Professional (PMP):** An individual certified as such by the Project Management Institute (PMI)
- **Project Management Team:** The members of the project team who are directly involved in project management activities. On some smaller projects, the project management team may include virtually all of the project team members.
- **Project Manager:** The person given the authority and responsibility for the management and co-ordination of all project resources in the timely completion of agreed deliverables. He/she plans the work, allocates resources, monitors and controls activities, manages risks and issues, operates effective change control procedures, manages the budget, escalates issues, produces progress and other management reports and liases with the client, users representatives and all third parties to ensure that the project performance remains within pre-set tolerances with respect to cost, schedule and quality.
- **Project Network Diagram:** Any schematic display of the logical relationships of project activities. Always drawn from left to right to reflect project chronology. Often referred to as a PERT chart.
- **Project Objective:** The project objective describes the end-state of the project in terms of desired business outcomes. It states what does the organisation expect to see/be delivered by the project team. The objective should be clearly and unambiguously defined (SMART).
- **Project Outcome:** The result of a project. Useful term where the project result is not an easily definable 'product'.
- **Project Phase:** A collection of logically related project activities usually culminating in the completion of a major deliverable
- **Project Plan:** A formal, approved document used to guide both project execution and project control. The primary uses of the project plan are to document planning assumptions and decisions, facilitate communication among stakeholders, and document approved scope, cost, and schedule baseliners. A project plan may be summary or detailed.
- **Project Schedule:** The planned dates for performing activities and the planned dates for meeting milestones.
- **Project Scope:** Project scope refers to the work that must be done to deliver a product with the specified features and functions.
- **Project Solicitation:** Project solicitation involves obtaining quotations, bids, offers or proposals as appropriate.
- **Project Sponsor:** The person given the authority and responsibility for ensuring that the project is relevant to business needs and offers value for money – this is achieved through a rigorous business case approach to the project. The sponsor authorises the start of the project, releases resources, provides high level steering throughout its life and signs off project deliverables upon project completion. The sponsor is ultimately responsible for the business success of the project and the realisation of planned benefits.
- **Project Support Office (PSO):** The Project Support Office consists of a group set up to provide certain administrative services to many projects.

- **Quality:** The totality of features and characteristics of a product or service that bear on its ability to satisfy stated and implied needs.
- **Quality Assurance:** The process of evaluating overall project performance on a regular basis to provide confidence that the project will satisfy the relevant quality standards.
- **Quality Control:** The process of monitoring specific project results to determine if they comply with relevant quality standards and identifying ways to eliminate causes of unsatisfactory performance.
- **Quality Management:** Project Quality Management describes the processes required to ensure that the project will satisfy the needs for which it was undertaken. It consists of quality planning, quality assurance, and quality control.
- **Quality Plan:** The definition of key quality criteria and quality control and audit processes to be applied to project management and technical work in the project.
- **Quality Planning:** Quality planning involves Identifying which quality standards are relevant to the project, and determining how to satisfy them.
- **Reserve:** A provision in the project plan to mitigate cost and/or schedule risk. Often used with a modifier (e.g., management reserve, contingency reserve to provide further detail on what types of risk are meant to be mitigated. The specific meaning of the modified term varies by application area.
- **Resource Planning:** Resource planning involves determining what resources (people, equipment, materials) are needed in what quantities to perform project activities
- **Responsibility Matrix:** A structure that relates the project organisation structure to the work breakdown structure to help ensure that each element of the project's scope of work is assigned to a responsible individual.
- **Risk:** An uncertain event or condition that, if it occurs, has a positive or negative effect on a project's objectives.
- **Risk Analysis:** Risk analysis involves performing an analysis of risks and conditions to prioritise their effects on project objectives. Risks can be analysed using qualitative or quantitative techniques.
- **Risk Identification:** Risk identification involves determining which risks might affect the project and documenting their characteristics. Tools used include brainstorming and checklists.
- **Risk Log:** A document detailing all identified risks, including description, cause, probability of occurring, impact(s) on objectives, proposed responses, owners, and current status. Also known as risk response plan.
- **Risk Management:** Risk management is the systematic process of identifying, analysing, and responding to project risk. It includes maximising the probability and consequences of positive events and minimising the probability and consequences of events adverse to project objectives. It includes the processes of risk management planning, risk identification, qualitative risk analysis, quantitative risk analysis, risk response planning, and risk monitoring and control.
- **Risk Management Planning:** Risk Management Planning is the process of deciding how to approach and plan risk management activities for a project.
- **Risk Mitigation:** Risk mitigation seeks to reduce the probability and/or impact of a risk to below an acceptable threshold.
- **Risk Monitoring and Control:** Risk Monitoring and Control involves monitoring residual risks, identifying new risks, executing risk reduction plans, and evaluating their effectiveness throughout the project lifecycle.
- **Risk Response Planning:** Risk response planning is the process of developing procedures and techniques to enhance opportunities and reduce threats to the project's objectives. The tools include avoidance, mitigation, transference, and acceptance.
- **Risk Tolerance:** Different organisations have differing "appetites" for risk and this "appetite" may vary from project to project. Appetite is the amount of risk that the project sponsor is prepared to tolerate along a particular dimension of the project. It is important to understand this concept of risk Tolerance before designing complex risk mitigation or control strategies.
- **Rollout Proposal:** The Rollout Proposal is an optional gate document that should be produced just in case of a solution that will be implemented, for instance, in different locations.
- **Schedule:** Project schedule means the planned dates for performing activities and the planned dates for meeting milestones.
- **Schedule Control:** Schedule control involves controlling changes to the project schedule

- **Schedule Development:** Schedule development involves analysing activity sequences, activity durations, and resource requirements to create the project schedule.
- **Scope Change Control:** Scope change control is concerned with a) influencing the factors that create scope changes to ensure that changes are agreed upon, b) determining that a scope change has occurred, and c) managing the actual changes when and if they occur.
- **Scope Definition:** Scope definition involves subdividing the major project deliverables into smaller, more manageable components to a) Improve the accuracy of cost, duration, and resource estimates, b) Define a baseline for performance measurement and control, c) Facilitate clear responsibility assignments.
- **Scope Management:** Project Scope Management includes the processes required to ensure that the project includes all the work required, and only the work required, to complete the project successfully. It is primarily concerned with defining and controlling what is or is not included in the project.
- **Scope Planning:** Scope planning is the process of progressively elaborating and documenting the project work (project scope) that produces the product of the project.
- **Scope Statement:** The scope statement provides a documented basis for making future project decisions and for confirming or developing common understanding of project among the stakeholders. As the project progresses, the scope statement may need to be revised or refined to reflect approved changes to the scope of the project.
- **Scope Verification:** Scope verification is the process of obtaining formal acceptance of the project scope by the stakeholders (sponsor, client, customer, etc.). It requires reviewing deliverables and work results to ensure that all were completed correctly and satisfactorily.
- **Source Selection:** Source selection involves the receipt of bids or proposals and the application of the evaluation criteria to select a provider. Many factors aside from cost or price may need to be evaluated in the source selection decision process.
- **Staff Acquisition:** Staff acquisition involves getting the needed human resources (individuals or groups) assigned to and working on the project. In most environments, the "best" resources may not be available, and the project management team must take care to ensure that the resources that are available will meet project requirements.
- **Stage:** A division of the project for management purposes. The Project Board approves the project to proceed one stage at a time.
- **Stakeholder:** Individuals and organisations that are actively involved in the project, or whose interests may be positively or negatively affected as a result of project execution or project completion. They may also exert influence over the project and its results.
- **Stakeholder Management:** Project Stakeholders Management includes the processes required to identify, analyse and influence stakeholders. Knowing who these people are, communicating with them and keeping them committed to the project is vitally important to the success of the project.
- **Subject Area Expert:** The person given the authority and responsibility for providing expertise where this is not readily available to the project team. The subject area expert (e.g. technology experts, lawyers, etc.) can be engaged for a defined period in order to investigate, research and present its findings which will be used to support the decision made by the project team.
- **Task:** A generic term for work that is not included in the work breakdown structure, but potentially could be a further decomposition of work by the individuals responsible for that work. Also, lowest level of effort on a project.
- **Team Development:** Team development includes both enhancing the ability of stakeholders to contribute as individuals as well as enhancing the ability of the team to function as a team. Individual development (managerial and technical) is the foundation necessary to develop the team. Development as a team is critical to the project's ability to meet its objectives.
- **Time Management:** Project Time Management describes the processes required to ensure timely completion of the project. It consists of activity definition, activity sequencing, activity duration estimating, schedule development, and schedule control.
- **Tolerance:** The permissible deviation above and below a plan's estimate of time and cost without escalating the deviation to the next level of management. Separate tolerance figures should be given for time and cost.
- **Total Quality Management (TQM):** A common approach to implementing a quality improvement programme within an organisation.

- **Triggers:** Triggers, sometimes called risk symptoms or warning signs, are indications that a risk has occurred or is about to occur. Triggers may be discovered in the risk identification process and watched in the risk monitoring and control process.
- **User Representative:** The person given the authority and responsibility for liasing on a frequent basis with the project manager to ensure that all user/client requirements have been clearly and completely defined, i.e. that the specified deliverables will meet the users needs.
  He/she is also responsible for confirming that what is delivered fits for purpose with respect to the initially agreed requirements.
- **Work Breakdown Structure (WBS):** A deliverable-oriented grouping of project elements that organises and defines the total work scope of the project. Each descending level represents an increasingly detailed definition of the project work.
- **Work Package:** A deliverable at the lowest level of the work breakdown structure when that deliverable may be assigned to another project manager to plan and execute. This may be accomplished through the use of a subproject where the work package may be further decomposed into activities.

SECTION IV:
PROJECT MANAGEMENT TEMPLATES

Project Charter

Project Charter – [Project Name]

Project Charter		
Project: **[Project Name]**		Version: **[version]**
Created by: [Author]	**Role:** [Role]	**Date:** [Date]
Approved by: [Author]	**Role:** [Role]	**Date:** [Date]

1.   Project Background

Briefly describe the current Business situation and the need for the project. State how this project contributes to the delivery of business strategy. Identify any dependency on financial, security or legislative policies. Show how the project relates to similar problems and solutions that may have been deployed within Unilever.

2.   Project Objectives

Give an outline of the key project objectives. Describe the end-state of the project. The objectives should be clearly and unambiguously defined (SMART).

3.   Project Definition

3.1   Deliverables

State what the organisation expects to see/be delivered by the project team. A high-level deliverables breakdown structure should be produced specifying any dependencies between them. This allows the products to be identified and described and assists in bounding the scope of the project.

3.2   Boundaries

Specify what is and what is not included within the scope of the project.

3.3   Assumptions

State which are the cause and effect relationships or business operating conditions that describe the context within which we expect the project will operate.

3.4   Constraints

Outline the key limitations e.g. time, resources, budget, infrastructure that will restrict the project.

3.5   Interfaces

Briefly describe any inputs or outputs to other systems or business areas.

4.   Outline Business Case

4.1   Benefits

Define which are the key benefits derived from the project and how they will me measured.

4.2   Cost

Identify the major costs associated with the project.

4.3   Investment appraisal

ROI, NPV, IRR, Payback Period, etc.

Project Charter – [Project Name]

5. Approach

Identify the approach to realising the solution (Buy, Build, Customise, Outsource?). Provide outline details of procurement actions (procurement plan).

6. Outline Project Plan

Where known, state the way the solution will be established and an outline any key steps that will be taken. Give an indication of target dates or any deadlines that must be met.

Action	Target Date

7. Outline Project Organisation Structure (Governance & Team members)

State who compose the project governance structure and who are the potential project team members.

Name	Role	Contact Details

8. Initial Risks Assessment

Identify major risk that may influence upon the delivery of the project benefits.

9. Outline Quality Plan

Outline the quality aspects that are required for the project and for its final product/s.

10. Initial Stakeholders Analysis

Identify the major stakeholders who have interest in the project.

Name	Role	Relationship to the Project	Key Concerns	Contact Details

Project Charter – [Project Name]

Name	Role	Relationship to the Project	Key Concerns	Contact Details

Notes

Add any special considerations for this project that needs to be documented.

Project Contract

Project Contract – [Project Name]

---

1. Project Background

Describe the current Business situation and the need for the project. State how this project contributes to the delivery of business strategy. Identify any dependency on financial, security or legislative policies. Show how the project relates to similar problems and solutions that may have been deployed within Unilever.

2. Project Objectives

State the project objectives. Describe the end-state of the project. The objectives should be clearly and unambiguously defined (SMART).

3. Project Definition

3.1 Deliverables

State what the organisation expects to see/be delivered by the project team. A deliverables breakdown structure should be produced specifying any dependencies between them. This allows the products to be identified and described and assists in bounding the scope of the project.

3.2 Boundaries

Specify what is and what is not included within the scope of the project.

3.3 Assumptions

State which are the cause and effect relationships or business operating conditions that describe the context within which we expect the project will operate.

3.4 Constraints

State the key limitations e.g. time, resources, budget, infrastructure that will restrict the project.

3.5 Interfaces

Describe any inputs or outputs to other systems or business areas.

3.6 Tolerances

Define the project tolerances, in order to establish the limit of authority for the Project Manager and to define conditions under which issues must be escalated for resolution.

4. Business Case

4.1 Benefits

Define which are the benefits derived from the project and how they will me measured.

4.2 Cost

Identify the costs associated with the project.

4.3   Investment appraisal

ROI, NPV, IRR, Payback Period, etc.

5.   Approach

Identify the approach to realising the solution (Buy, Build, Customise, Outsource?). Provide outline details of procurement actions (procurement plan).

6.   Project Plan

6.1   Work Breakdown Structure

6.2   Gantt Chart

6.3   Milestones

7.   Project Organisation Structure (Governance & Team members)

State who compose the project governance structure and who are the project team members. If an organisational chart is available, attach it as an appendix.

Name	Role	Contact Details

8.   Risks Assessment

Include a Project Risk Log, identifying all risk that may influence upon the delivery of the project benefits.

9.	Quality Plan

9.1 Quality Process (how the project quality be measured and assured)

9.2 Controls (including reference to third party information)

9.3 Quality Assurance Responsible People (to be shown in the Organisation Structure)

9.4 Key Quality Acceptance Criteria

9.5 Customer Quality Expectations

9.6 Specific Requirements

9.7 Support Requirements

9.8 Testing Strategy

10.	Resource Requirements Plan

Detail the resources required in the table below:

Resource	Role	Contribution	Required	Cost

11.	Costs and Timescales (Project Cashflow)

Finance Category	Expended On	Expended When	Amount (€K)
Estimated Total Cost			

12.	**Stakeholders Analysis**

State who are the major stakeholders who have interest in the project.

Name	Role	Relationship to the Project	Key Concerns	Contact Details

13.	**Communications Plan**

13.1   Stakeholders

13.2   Frequency of communication

13.2   Method of communication

14.	**Security Considerations**

Identify any security consideration that must be met in the final solution, including control of access, confidentiality and availability of project and business data. Besides, consider back-up and business continuity procedures in the event of a disaster (disaster recovery plan).

15.	**Notes**

Add any special considerations for this project that needs to be documented.

Launch Proposal

Project Launch Proposal		
Project: **[Project Name]**		Version: **[version]**
Created by: [Author]	**Role:** [Role]	**Date:** [Date]
Approved by: [Author]	**Role:** [Role]	**Date:** [Date]

1. **Project Background**

Describe the current Business situation and the need for the project. State how this project contributes to the delivery of business strategy. Identify any dependency on financial, security or legislative policies. Show how the project relates to similar problems and solutions that may have been deployed within Unilever.

2. **Project Objectives**

State the project objectives. Describe the end-state of the project. The objectives should be clearly and unambiguously defined (SMART).

3. **Project Definition**

3.1 Deliverables

State what the organisation expects to see/be delivered by the project team. A deliverables breakdown structure should be produced specifying any dependencies between them. This allows the products to be identified and described and assists in bounding the scope of the project.

3.2 Boundaries

Specify what is and what is not included within the scope of the project.

3.3 Assumptions

State which are the cause and effect relationships or business operating conditions that describe the context within which we expect the project will operate.

3.4 Constraints

State the key limitations e.g. time, resources, budget, infrastructure that will restrict the project.

3.5 Interfaces

Describe any inputs or outputs to other systems or business areas.

3.6 Tolerances

Define the project tolerances, in order to establish the limit of authority for the Project Manager and to define conditions under which issues <u>must</u> be escalated for resolution.

4. **Business Case**

4.1 Benefits

Define which are the benefits derived from the project and how they will me measured.

4.2   Cost

Identify the costs associated with the project.

4.3   Investment appraisal

ROI, NPV, IRR, Payback Period, etc.

5.   Approach

Identify the approach to realising the solution (Buy, Build, Customise, Outsource?). Provide outline details of procurement actions (procurement plan).

6.   Project Plan

6.1   Work Breakdown Structure

6.2   Gantt Chart

6.3   Milestones

7.   Project Organisation Structure (Governance & Team members)

State who compose the project governance structure and who are the project team members. If an organisational chart is available, attach it as an appendix.

Name	Role	Contact Details

8.   Risks Assessment

Include a Project Risk Log, identifying all risk that may influence upon the delivery of the project benefits.

9.	Quality Plan

9.1 Quality Process (how the project quality be measured and assured)

9.2 Controls (including reference to third party information)

9.3 Quality Assurance Responsible People (to be shown in the Organisation Structure)

9.4 Key Quality Acceptance Criteria

9.5 Customer Quality Expectations

9.6 Specific Requirements

9.7 Support Requirements

9.8 Testing Strategy

10.	Resource Requirements Plan

Detail the resources required in the table below:

Resource	Role	Contribution	Required	Cost

11.	Costs and Timescales (Project Cashflow)

Finance Category	Expended On	Expended When	Amount (€K)
Estimated Total Cost			

12.	Stakeholders Analysis

State who are the major stakeholders who have interest in the project.

Name	Role	Relationship to the Project	Key Concerns	Contact Details

13.   Communications Plan

13.1   Stakeholders

13.2   Frequency of communication

13.3   Method of communication

14.   Security Considerations

Identify any security consideration that must be met in the final solution, including control of access, confidentiality and availability of project and business data. Besides, consider back-up and business continuity procedures in the event of a disaster (disaster recovery plan).

15.   Organisational Change Management Plan

15.1   Organisational Changes

Outline the organisational changes that have been agreed

15.2   User training plans

Outline the user training plans that have been agreed

16.   Testing Plan

16.1   Integration test

Outline integration test plans

16.2   User acceptance test

Outline user acceptance test plans

16.3   3rd party test (if applicable)

Outline 3rd party test plans (if applicable)

17.   Support Team

17.1   1st Level support

Define who will provide 1st Level support

17.2   2nd Level support

Define who will provide 2nd Level support

17.3   3rd Level support

Define who will provide 3rd Level support

18.   Service Levels

Outline agreed service levels agreements

19.   Documentation

19.1   Technical Documentation

19.2   User Documentation

20.   Notes

Add any special considerations for this project that needs to be documented.

Risk Log

Risk Log - [Project Name]

Nr.:	Date:	Risk Type:	Owner:	Description:	Likelihood:	Severity:	Priority Rate	Action Plan:	Status:
#	Date the risk was identified	Internal, External	Who monitors the risk and takes actions	A brief description of the risk and its impact upon the project	1, 2, 3 or 4 (Low = 1) (High = 4)	1, 2, 3 or 4 (Low = 1) (High = 4)	Likelihood * Severity	Describe what you will do to minimise the impact of the risk	Open, Closed

[This document is used to record and grade risks with an associated action plan to minimise them.]

001									
002									
003									
004									
005									
006									

Project Issue Report

Issue Report – [Project Name]

Issue No :		Author :		Date Raised :	

Priority :		Type :	[RFC/Off-Spec/Concern]	Status :	[Open/Allocated/Closed]

Description of the Issue :

Impact Analysis :

Decision :

Allocated To :		Date Allocated :		Date Completed :	

Signature of Decision Maker :		Date of Decision :	

Headings and their Meanings :

Issue No	The next available issue number from the Issue Log
Author	The name of the person raising the Issue
Date Raised	The date the issue was raised
Priority	The priority of the issue, as defined in the Endnote
Type	The type of issue i.e. Request for Change (RFC), Off-Specification (e.g. not as agreed in the spec.) or Concern (e.g. Other issues such as a bug) Priority Types : • Off-Spec/Concern : (1) Job Stopper / Data Issue, (2) Job Hindrance, (3) Job Hindrance but has a workaround or not serious, (4) Nice to have • RFC : (1) Must Have, (2) Should Have, (3) Could Have, (4) Would like to have
Status	The status of the issue i.e. Open, Closed or Allocated (i.e. someone has been appointed to deal with it)
Description	A comprehensive description of the issue
Impact Analysis	Analysis of the impact on the Project of the Issue and recommended solutions
Decision	The agreed action to be taken to resolve the issue
Allocated To	The name of the person the Issue has been allocated to, either to perform the Impact Analysis or perform the resolving action
Date Allocated	The Date the issue was allocated to the person
Date Completed	The date the issue was resolved i.e. completed and closed
Signature of Decision Maker	The Sign-off from the person making the decision on the proposed course of action
Date of Decision	The Date the Decision was made and signed off

Change Log

Change Log - [Project Name]

No:	Description of Change:	Originator:	Date Raised:	Impact Assessment by:	Impact Assessment due:	Authorisation by:	Completed:	Date Completed:	Comments:
#				Name:	Date:	Name:	Yes/No		

[This document is used to record changes and change actions associated with a project.]

001									
002									
003									
004									
005									
006									

Change Request

Change Request		
[This document is used to request and approve a change]		
Project: [Project Name]		**Change nr.:** [change nr.]
Created by: [Author]	**Role:** [Role]	**Date:** [Date]
Approved by: [Author]	**Role**: [Role]	**Date:** [Date]
Approval required in: [1 week / 2 weeks / 1 months / 3 months]		

PART I - Proposed Change (to be completed by the person making the request)
Description of Change:
Expected benefits or reason for change:

Recommended for: Implementation / Rejection / Referred to Project Sponsor

Approval required from: By (date):

Signature:
(Project Manager)   _____   Date: _____

_____   _____

PART II - Summary of Impact (to be completed by the project manager)

Quantifiable cost savings and/or benefits:

Estimated cost:

Impact on timescales:

Additional resources required:

Impact on other projects/activities:

Additional risks and issues:

Change Recommended: * Yes/No   * Delete as appropriate

Other comments:

Change Request - [Project Name]

Impact Assessment done by: (Name)   Date:

PART III - Decision (to be completed by the approver)
The change is accepted*
The change is accepted subject to the comments below*
The change is rejected*
* Delete as appropriate
Comments:
Name:_____   Position:_____   Date:_____
Actions Required:

Comments:

Progress (and Exception) Report

Project: [Project Name]		
Report Type: [progress / exception]	**Date Issued:** [date]	
Created by: [Author]	**Role:** [role]	
Reporting Period:	**From:** [date from]	**To:** [date to]

Section 1 - Project Status Summary

[Products Status]

[List out the products that have been completed; those that have been delayed; and those planned for completion in the next period.]

[Milestones]

[Outline the key milestones that have been completed; those that have been delayed; and those planned for completion in the next period.]

 [Budget Status]

[State the budget spent to date; future spend; and the total]

Section 2 - Comments on Variations:

[State actual or potential problems (clearly state why the deviation has come about), consequences of the deviation]

Section 3 - Risks & Issues:

[Outline the situation with respect to issues and risks]

[Itemise the impact on budget for RFC and on time for off-specification issues.]

Section 4 - Budget		To Date		Remaining		Total	
		Budget	Actual	Budget	Forecast	Budget	Forecast
	£						
Explanation of any Variation							

Section 5 - Time		To Date		Remaining		Total	
		Estimate	Actual	Estimate	Forecast	Estimate	Forecast
	Days						
Explanation of any Variation							

Complete the following sections for Exception Reports only

Section 6 – The Available Corrective Options:

[List the alternatives actions that are available to recover the deviation and /or put the project back on track]

Section 7 – Consequences of the Available Corrective Actions:

[State clearly the effect of each of the actions outlined in section 6 upon the Project Business Case, risks, milestones and project and stage tolerances]

Section 8 – The Project Managers Recommendation:

[Prioritise the corrective options and state clearly your preferred course of action. Provide an unambiguous rationale for the choice.]

Customer Acceptance

Customer Acceptance		
Project: [Project Name]		**Version**: [version]
Created by: [Author]	**Role:** [Role]	**Date:** [Date]

The Project Outcome has been measured against its Acceptance Criteria and has been formally accepted on behalf of the Customer. The project may now be closed.

Additional Comments about the Customer's Acceptance:
Recorded Shortfalls of the Final Project Outcome (if any):

Project Board Executive: Signature:_____ Name:_____

(Budget Holder)   Date: _____

Project Board Senior User: Signature:_____ Name:_____

(Sponsor)   Date: _____

Project Board Senior Supplier: Signature:_____ Name:_____

(PM)   Date: _____

Post Implementation Review

Post Implementation Review		
This document is used by the project manager to communicate how well the project has performed against its original business case, project plan, costs, time-scale and tolerances.		
Project: [Project Name]		**Version:** [version]
Created by: [Author]	**Role:** [Role]	**Date:** [Date]
Approved by: [Author]	**Role:** [Role]	**Date:** [Date]

1.   Achievement of the Project's Objectives:

[How well did the project achieve the objectives outlined in the Project Charter?]

1.1   Original Objectives

[The original objectives as outlined in the Project Charter]

1.2   Performance Against Objectives

[The Project Managers evaluation of the project outcome versus that envisaged in the Project Charter]

2.   Project Performance

[How well the project perform against the key indicators outlined in the Project Charter?]

2.1   Performance Against Planned Time:

[Did the project deliver on time against the original baseline in the project plan?]

Milestones	Original Date	Actual Date	Variance
Stage 1 Sign Off	01-03-2002	29-03-2002	28 days
Stage 2 Design			
Stage 3 Build			
Stage 4 Test			
Stage 5 Implement			

Additional comments and clarification

2.2   Performance Against Planned Cost:

[Did the project deliver to budget against the original baseline in the project plan and if not what were the subsequent approved changes?]

Expenditure	Original Budget	Revised Budget	Final Actual	Variance
Internal	€k	€k	€k	€k
External	€k	€k	€k	€k
Capital	€k	€k	€k	€k
Special	€k	€k	€k	€k
Research	€k	€k	€k	€k
Development	€k	€k	€k	€k
Marketing	€k	€k	€k	€k
Total	**€k**	**€k**	**€k**	**€k**

Additional comments and clarification

2.3 Performance Against Planned Manpower:

[Did the project deliver with the manpower in the original baseline in the project plan and if not what were the subsequent approved changes?]

Manpower costs	Original Manpower	Revised Manpower	Final Actual	Variance
Chargeable	€k	€k	€k	€k
Non-chargeable	€k	€k	€k	€k
Total	**€k**	**€k**	**€k**	**€k**

Additional comments and clarification

3. Approved Project Changes:

[List the changes that were approved during the life of the project.]

3.1 Effects on Original Project Plan

3.2 Effects on Business Case

4.   Lessons Learnt (recommendations)

[Create a bullet point list of Lessons Learnt and recommendations]

4.1   Management

[Planning/resource management]

4.2   Technical:

[Application/environmental]

4.3   Quality:

[Scope/deliverables/testing]

4.4   Major Issues during project lifecycle

[The issues that had the greatest impact on the project were]

5.   Follow On Actions

[List any follow on actions collated from outstanding issues, risks, lessons learnt or enhancements that may be required to the products delivered.]

#	Action	Who
1.		
2.		
3.		
4.		
5.		

6.   Post Project Review:

Review Date: [The date you plan to review this project.]

Review Plan: [Detail your review plan here.]