



 **Project Management**

John Wiese – 2010

TOP 10 DEFENCE CONTRACTORS

- 1 Tenix Defence Pty Ltd \$600M
- 2 Thales (ADI Limited) \$594.5M
- 3 BAE Systems Australia 475.0
- 4 Australian Aerospace Limited 351.888
- 5 Raytheon Australia Pty Ltd 325.0
- 6 Spotless Group Limited 285.0
- 7 The Boeing Company 2 84.0
- 8 Australian Submarine Corporation Pty Ltd 255.9
- 9 Serco Sodexho Defence Services Pty Ltd 132.0
- 10 Saab Systems Pty Ltd 123.0

Source: Australian Defence Magazine, 2008

- Project Management and Teaming
- Systems Engineering
 - Requirements analysis
 - Solutions
 - Design, integration and testing
- Specialist Manufacture
- Research and Technical Development
- Software Development
- In Service / Through Life Support
- **OUR PEOPLE – Train and Retain!**

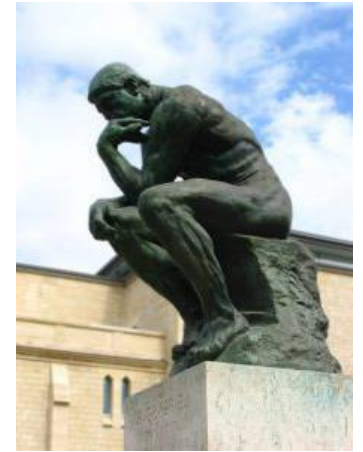
Why Use Project Management?



Focus, Avoid Crisis & to Make Money!!

■ Project

A temporary endeavor undertaken to create a unique product, service or result.



■ Project Management

The application of knowledge, skills, tools and techniques to project activities to meet project requirements.

- Source: PMBOK 2004.

What are Commercial Projects?



Commercial projects pass these two tests:

1. There is the intent to make a profit.

Yes you're in it to make money!

2. There are real budget and schedule constraints.

Simple really, complete the project **WITHIN** a budget to realise a profit. Do so by **KNOWING** your real budget and schedule constraints.



Often an uncontrolled flow of resources down a bottomless pit.



THE AUSTRALIAN TUESDAY MARCH 28 2006

4 IT BUSINESS

Picture: Andy Tyndall

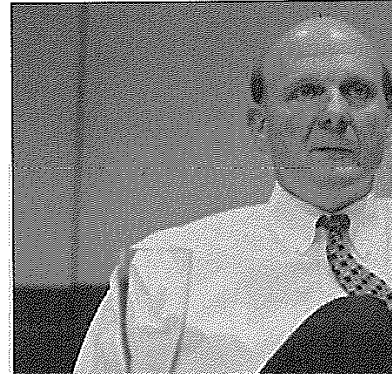
Heads roll as Microsoft delays Vista again

Strategy

MICROSOFT has promoted Steven Sinofsky, a protege of Bill Gates, to run its Windows and internet unit after development delays caused the world's biggest software maker to postpone the latest version of its operating system until next year.

Sinofsky will replace Jim Allchin, a 16-year Microsoft veteran, who will retire early next year.

Senior vice-president Will Poole will be removed as head of Windows client and Sinofsky will lead planning for future Win-



eight groups, including Si- Joe Wilcox, an analyst at Jupiter

“This whole project has been handled poorly from day one,” Gartenberg says. “It’s not just the delays, it’s that they also keep cutting features.”

Sinofsky's biggest challenge will be to speed up software releases and take market share from Google's internet programs.

to acceler- and combat growing competition.

Vista released.

After that Valentine's position and the role of the engineering group he runs will be evaluated, Microsoft says.

Vista was already two years late before the most recent hold-up, which will cost Microsoft almost \$US500 million (\$705 million) in sales in the December quarter, according to Charles Di Bona, an analyst at Sanford Bernstein and Co in New York.

“Sinofsky is definitely the right flavour of guy to fix this.

“Now the top of the organisation begins to look like professional managers.”

Microsoft has delayed the release of Windows Vista until

Group, a California researcher.

In September, Ballmer merged the MSN and Windows units

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not looking back.”

Johnson, who will oversee

soft's \$11 billion Office business.

A former technical assistant to Gates, Sinofsky is known for keeping tightly to schedules and for being “ruthless” in refusing projects if they will delay the product, says Rob Helm, an analyst at Washington-based market researcher, Directions on Microsoft.

“His reputation is that he's a guy who does what he needs to ship code,” says Michael Gartenberg, an analyst at Jupiter Research in New York.

The retail version of Si-

“Microsoft's ability to control the product development processes and meet deadlines is seriously broken,” Roger Kay,

soft gets only a small percentage of its Office sales from retail, says

Google beat MSN in introducing products such as PC search and satellite mapping.

Martin Taylor, credited with helping Microsoft beat back the threat of the free Linux operating system, will be brought in to improve marketing for MSN and Windows Live.

David Cole, who ran the MSN unit, will lead advertising sales, marketing and business development for Windows Live and MSN.com before a one-year leave of absence.

Bloomberg

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RESEARCH SHOWS.....



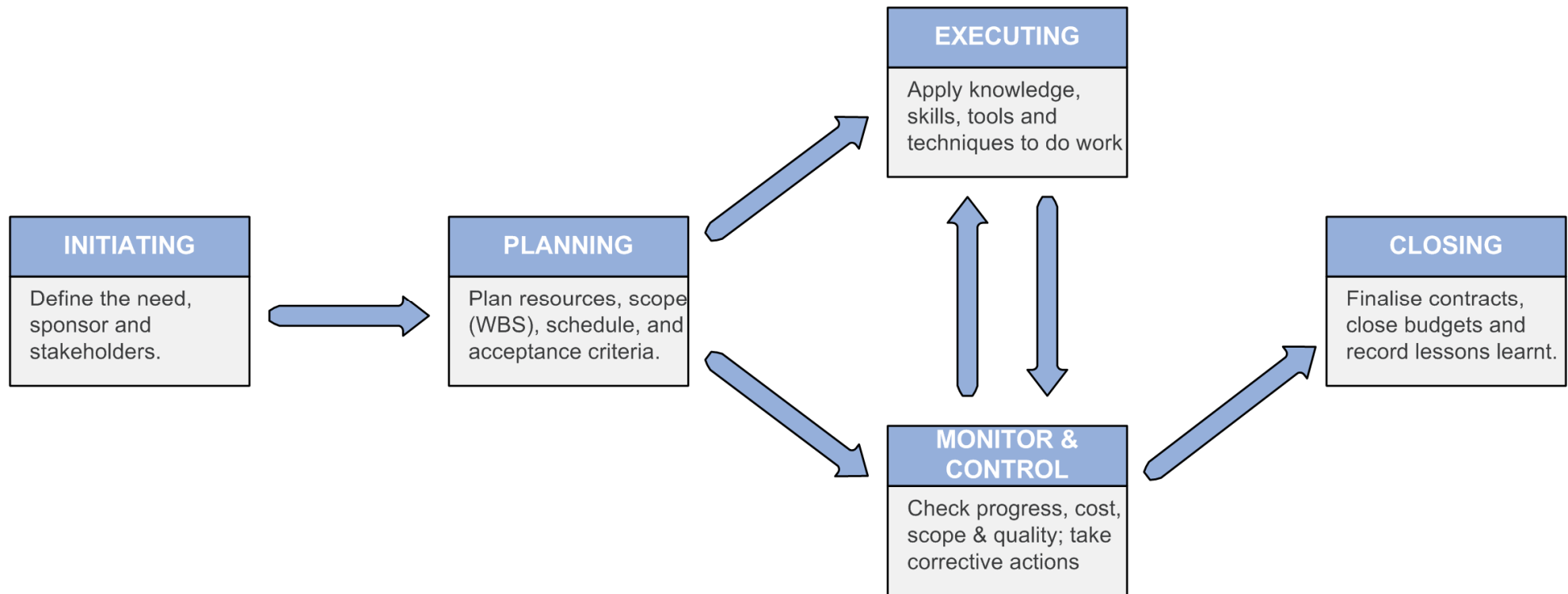
- **Best organisations can work 11.1 times faster than the worst.**

- Source: Peopleware, 2nd Edition, 1999.

- Nearly a third of USA projects are cancelled during development

**Consider exactly the same specification product for \$99 or \$1100.
Which would you buy?**

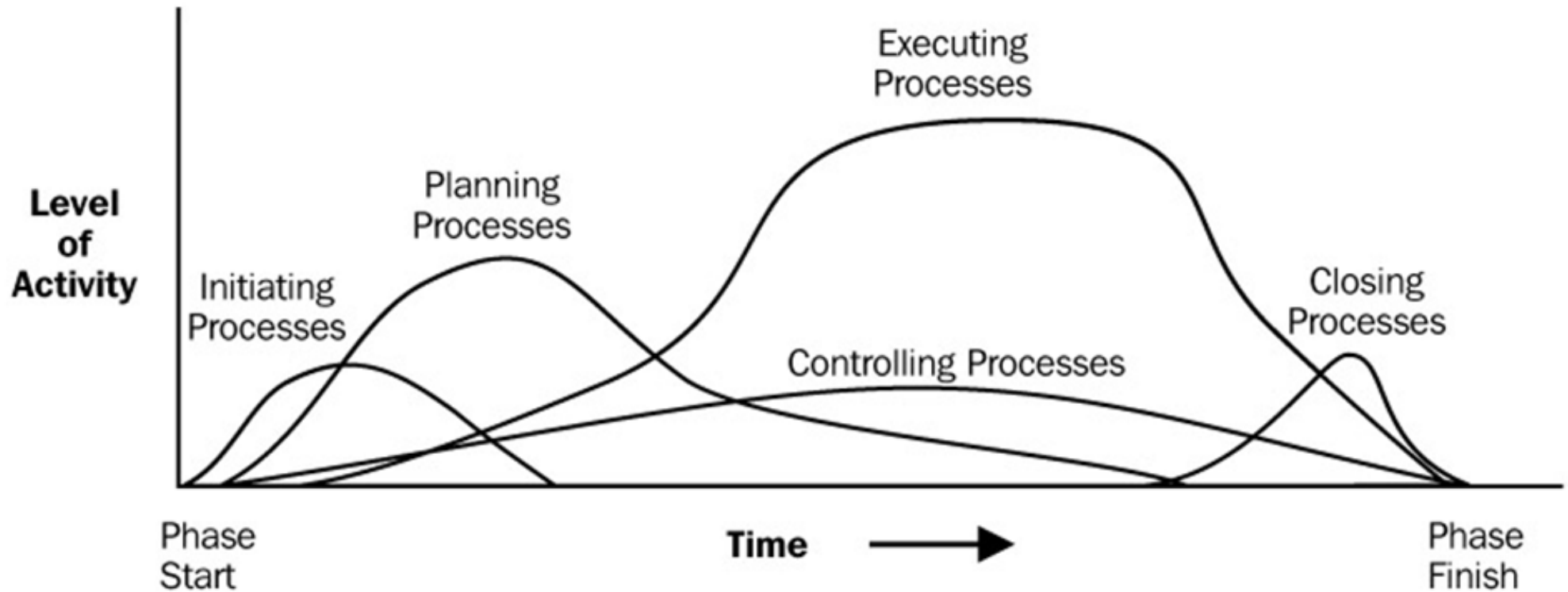
How? Project Management Processes



PMBOK PM Knowledge Areas:

Project Integration, Scope, Time, Cost, Quality
Human Resources, Communications, Risk, Procurement

Basic Project Management Lifecycle



TIME = CHANGE = CHALLENGES
New Scope, Staff, Stakeholders, Risks, etc.

Two main options.....

■ **PMBOK – Project Management Body of Knowledge.**

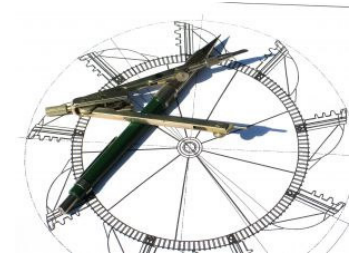
- Proven traditional good practices mixed with innovative ideas emerging in the profession. It is still growing and evolving.

■ **PRINCE2™ – Projects in Controlled Environments**

- It was initially developed in 1989 by the Central Computer and Telecommunications Agency (CCTA) as a UK Government standard for information technology (IT) project management; PRINCE2™ was released in 1996 as a generic project management methodology. Now a De facto standard for project management in the UK.



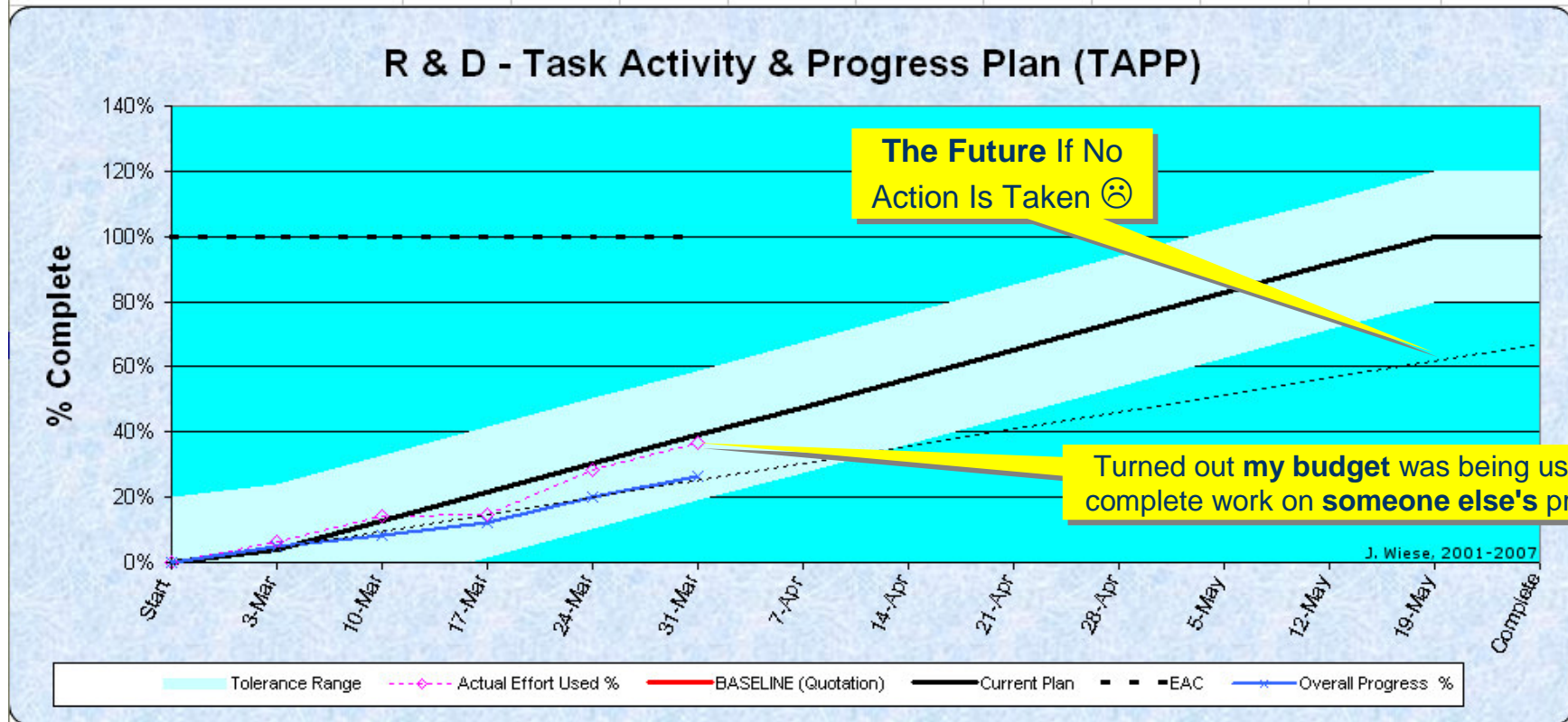
- **Documents – Contract, Plans, etc.**
- **WBS – Work Breakdown Structure**
- **Resource Profile – MS Excel**
- **Schedule – MS Project, Primavera**
- **Budgets – MS Excel**
- **Progress Measures – Earned Value Management (EVM)**



Keeping Projects On Track with EVM



Task Name	Planned Effort	Actual Effort	Effort to Complete	Estimate At Completion (EAC)	Budget At Completion (BAC)	Overall Progress %	Actual Effort Used %	No. of Subtasks	Started	Manager Approved - Finished
R & D	30.0	11.0	19.0	100.0%	100%	26.6%	36.7%	11	6	0



Planned Team Size =	0.5	Average Team Size =	0.4	Days Avail Res. Profile =	19.0
Minimum Duration (Weeks) =	12.0	Projected Duration (Weeks) =	14		

Identify problems, ask WHY, and act early. R&D projects can finish on time, budget and achieve their required outcomes.



2010

■ Define (Scope)

- Work Breakdown Structure (WBS)

■ Assign

- Resource assignments make a difference!

■ Measure

- Graph Data to Identify Trends (EVM)

■ Manage

- Proactive Decisions - Take Corrective Action



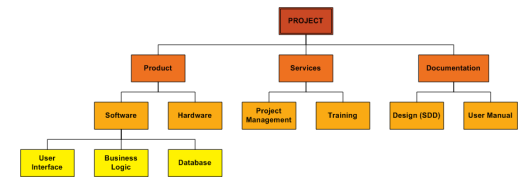
Training programs are not answering “how to execute a plan, including selecting the right people, following up and troubleshooting when progress falters” – Prof F. Hilmer.

■ WBS - Standard Elements

■ Effort / Cost Estimated Based on WBS

■ Product Oriented (the critical outcomes)

■ Manageable – but detail where detail is needed.



Getting the WBS correct is fundamental to success.



■ Which Resources?

- Staff and skill mix are important
- Different results from different people



■ Assigning Responsibility

■ Time Phase Work (impact of staff leave)

PEOPLE determine OUTCOMES - Not tools, not process, PEOPLE!



- Earned Value Management (EVM)
- Staff Hours (capped)
- Progress Built Up Based on Milestones
 - Avoids Engineers Optimism
 - Objective
 - Supports “At this moment” status (not waiting for 100% completion)



Trust Engineers but verify progress with objective Milestones.

- Tolerances – Objective Intervention
- Quickly Focuses Attention On Problems
- Highlight Scope Creep
- Early Indicator of Progress or Resourcing Issues (EVMs strength)
- Supports Informed Decision-Making
Is there a more efficient solution, are there cheaper options, can project scope be reduced, is schedule negotiable?



Give Managers The Opportunity To Manage!

You Don't Have To Use Project Management



Some people prefer to WING-IT.....

- A Guide to Project Management Body of Knowledge (PMBOK). Newtown Square, PA: Project Management Institute, 2000.
<http://www.pmi.org>
- PRINCE2 Foundation and Practitioner Training
<http://www.prince2.com>
- Australian Institute of Project Management
<http://www.aipm.com>
- “Peopleware” Tom DeMarco (ISBN 0-932633-43-9)



QUESTIONS?