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Course Name: Project Management

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Mid Term Exam

Q1.

Explain the project charter, who is the charter developing authority. What are the major components of project charter, what is included and excluded from project charter?

Solutions

project charter

A Project Charter is a document where we are the team. Suppose we have to start to write the project charter at least 6 weeks. Then we have to do in a team. One of the main goals of the project charter is to sign the team and focus the team members on the target.

Answer.

Project charter contents:

1. The Title e.g. what is the title of the project?

2. Business Case and Problem Statement e.g. we have to explain why the business has to spend money on this project.

3. Team Members e.g. who will work on this project? Team leaders → Team members → Process owner → Sponsor

4. Duration e.g. every project has to have a date of start and a date of finish.

5. Critical to Quality e.g. A good project has to have a measurable characteristic that is significant for the customer and the business

6. Savings e.g. We do a project to Reduce Wastes and Produce Savings.

7. Constraints

8. Timeline e.g. The improvement project has to be ideally divided into phases, and any phase has to have a starting date and a duration.

charter developing authority:

Charter developing authority is a process developing a document that formally authorizes the existence of a project and provides the project manager with the authority to apply organizational resources to the project activities. It belongs to the initiating process group.

Project Integration Management

Develop project charter:

1. **Project statement of work**

2. **Business case**

3. **Agreements**

4. **Enterprise environmental factors**

5. **Organizational process assets**

    1. **Project statement of work**

Statement of Work (or SOW) is a formal document that defines the entire scope of the work involved for a vendor and clarifies deliverables, costs, and timeline. It is needed in situations where a project involves vendors and external contributors in addition to the internal project team. You usually create a SOW as part of a bid document or part of a contract. It is vital that the SOW is clear to all stakeholders in order to clarify the metrics for success and to avoid disputes involving deliverables, budgets, or timelines.

    2. **Business case**

A business case captures the reasoning for initiating a project or task. It is often presented in a well-structured written document, but may also come in the form of a short verbal agreement or presentation. The logic of the business case is that, whenever resources such as money or effort are consumed, they should be in support of a specific business need. An example could be that a software upgrade might improve system performance, but the "business case" is that better performance would improve customer satisfaction, require less task processing time, or reduce system maintenance costs. A compelling business case adequately captures both the quantifiable and non-quantifiable characteristics of a proposed project.

    3. **Agreements**

A negotiated and usually legally enforceable understanding between two or more legally competent parties.
Although a binding contract can (and often does) result from an agreement, an agreement typically documents the give-and-take of a negotiated settlement and a contract specifies the minimum acceptable standard of performance.

Enterprise environmental factors

As a project manager, we can face many obstacles or problems during a project. Some of them may be caused by lack of planning or by some other reasons that we can control. But there will be some conditions which we cannot control as well. These are called Enterprise Environmental Factors.

Even if we cannot have control over Enterprise Environmental Factors, we should be aware of them to plan the project accordingly. Because Enterprise Environmental Factors will be affecting the project. If we don't act in advance, they can slow down the project or affect the outcomes.

Enterprise environment factors can be either internal or external.

Examples of external enterprise environmental factors are as follows:

- Government regulations
- Market conditions

- External political conditions

- Industry standards

- Legal restrictions

A few examples of internal enterprise environmental factors include:

- Organizational culture

- Type of organizational structure

- Internal political conditions

- Available resources

- Infrastructure

4. Organizational process assets

organizational process assets as plans, processes, policies, procedures and knowledge bases. **All of these organizational process assets are specific to the performing organization.** Because these organizational process assets are the outcomes of this particular organization's previous practices. So we can say that the organizational process assets will vary from one organization to another.

major components of project charter are as under

1. Executive Summary – describes the nature of the project deliverables created to

   satisfy the project requirements and organisation needs.

2. Policy and Procedures

3. Schedules

4. Timeline plans

5. Budgets

1) Executive Summary

This section will define the purpose of the project, the objectives express as success criteria, which as a minimum would include time, cost and quality.

2) Policy and Procedures

This section will describe the procedures that will be used to control the project. These will vary from project to project (and organization to organization). Typically, they will refer to standard approaches in an organization method.

3) Schedules

This section describes in detail the schedules and logs that define the detailed plans for the project. Again these can be references to external documents or files held in tools such as Microsoft Project.

Included will be a high-level schedule, which highlights the key deliverables in the form of a milestone schedule. Should also include estimates of cost and resource requirements.

4) Resource Plans

As a minimum, each project should have a project sponsor and a project manager!

This section would also include:

1. Responsibility of assignment matrix – which defines who is responsible for the completion of each product
2. Organization breakdown structure, which shows the organization hierarchy of the project
3. Authority and delegation schedules, which defines the delegation of authority within the project for the approval of documents, expenditures and acceptance
4. Role descriptions which defines the overall responsibilities.

5) Budgeting and Cost Management

Is the estimating of costs and the setting of an agreed budget, and the management of actual and forecast costs against that budget. Being able to predict with some certainty the rate at which the project is spending its funds is crucial to know whether the project is on track.

included and excluded

Inclusions: A description of tasks, items, and actions that are specifically "included" in the project scope. For example, "200 Solar modules, 340 Watts each, polycrystalline, with silver frames."

Exclusions: A description of tasks, items, and actions are specifically "excluded" in the project scope. For example, "Any painting materials or labor."

Inclusions

Inclusions define exactly what you will provide in detail. If you craft an "inclusive" bid, you must define what is provided, exhaustively. Think about homeowner's insurance. Insurance companies often use "inclusive" coverage. They will only cover what the contract explicitly covers. The policy implicitly excludes everything else.

Exclusions

Exclusions define what you will NOT include. This is the opposite of inclusions. If you write an "exclusive" bid, you must define what you will not provide in your service. The customer can assume that everything else is included. When writing your project scope document, keep the overall style in mind.

Q2.

What is a project management plan and list down and explain these components in two to three lines

- *Subsidiary management plan*
  - *Baselines*

What is a project management plan?

The Project manager creates the project management plan following inputs from the project team and the key stakeholders. A Project management plan is a formal, approved document that defines how the project is executed, monitored, and controlled. It may be a summary or a detailed document and may include baselines, subsidiary management plans, and other planning documents. This document is used to define the approach project team takes to deliver the intended project management scope of the project.

As the work proceeds, the performance of the project is measured against the performance measurement baseline included in the project management plan. The scope baseline, schedule baseline, and the cost baseline are collectively referred to as the performance measurement baseline. If there is a deviation from the baseline while the work is being done, the project manager deals with them by making adjustments to correct the deviation. If these adjustments fail to correct the deviations, then formal change requests to the baselines become necessary.

Project managers spend a substantial amount of time ensuring baselines are achieved, ensuring the project sponsor and the organization get the full benefits of their projects. Besides proper planning, a project manager's abilities also lie in efficiently controlling the project and ensuring project deliverables are on time—and that the project is completed per the project management plan.

Components of a Project Management Plan

- **Subsidiary management plan:**

The most important subsidiary plans:

1. **Scope Management Plan -** This plan establishes how we handle all of the subsequent scope processes including defining, monitoring and controlling scope and eventually working with the customer to validate the scope (deliverables)
2. **Requirements Management Plan** - If you don't have the requirements done just right on your project it is likely your project will be a dud. This plan makes sure that we work with the customer to analyze, document and manage the requirements properly
3. **Schedule Management Plan -** All projects manage schedule a bit differently, so in this plan we will establish the standards for how we are going to develop and control the schedule for OUR project.
4. **Cost Management Plan** - Show me the money! Or Rather show me how you are going to plan, structure and control the money on your project and I'll show you the Cost Management Plan!
5. **Quality Management Plan -** In this plan we are going to lay out the quality policy of the organization as well as the methods and standards and measurements we'll use to achieve quality. If the company doesn't have a quality policy we'll make one just for our project.

6. **Resource Management Plan -** Resources are not just humans! Buildings, materials and infrastructure also need to be managed so in the Resource management plan we'll document how we will categorize, manage and control our resources throughout the project life-cycle.
7. **Communication Management Plan -** Studies show PMs spend 90% of their time in some form of communication so it makes sense that we have a plan for this area that shows how, when and by which people the project information will be distributed, stored and even disposed of.
8. **Risk Management Plan -** In a word, Risk is UNCERTAINTY. We don't like uncertainty so we have the Risk management plan to help us identify, analyze and plan for risk events.
9. **Procurement Management Plan -** Should we make the stuff in house? OR should we go outside the company to buy it. This is the major question we answer in the Procurement management plan as we plan for acquiring goods and services.
10. **Stakeholder Engagement Plan -** Stakeholders can really impact our project depending upon their power in the organization and how interested they are in the project so in the Stakeholder engagement plan we look at these factors and then plan on how to engage these people accordingly.

- **Baselines:**
- **Scope Baseline** - The scope baseline is comprised of the Work Breakdown Structure, The Work Breakdown Structure Dictionary and the Scope Statement
- **Schedule Baseline** - The scope baseline is comprised of the Work Breakdown Structure, The Work Breakdown Structure Dictionary and the Scope Statement
- **Cost Baseline -** This is the approved time elapsed budget we use to manage cost on our project continually comparing planned vs. actuals and looking for variances