

OVERVIEW OF PROJECT MANAGEMENT



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SOME ISSUES IN PROJECT DELIVERY

» Breath test sniffs out cancer pg11 » Terry celebrates after C

PAC PROPOSES OVERSIGHT PANEL TO PREVENT WASTAGE OF PUBLIC FUNDS

Watch our billion\$

By **S. Suresh Ram**
www.kast@sunambly.com

KUALA LUMPUR: The parliamentary Public Accounts Committee (PAC) wants a cabinet committee set up to oversee privatised companies and projects to ensure efficient use of billions of ringgit in public funds.

Its chairman Datuk Shahrie Abdul Samad made the call yesterday after a three-hour briefing by Second Finance Minister Tan Sri Nor Mohamed Yakcop, the first cabinet minister to appear before the committee.

Among others, the briefing covered government investment in the private sector and its effectiveness, role of government-linked companies and their performance and the participation of non-bumiputras in the economy.

"We took full opportunity of the minister's presence," Shahrie said, indicating that many questions were asked.

Before this, the PAC had "invited" Works Minister Datuk Sri S. Sany Vellu. However, senior ministry officials appeared on his behalf.

Shahrie, who is Johor Bharu MP, said with RM113 billion in public funds being managed by Khazanah Nasional Bhd and Minister of Finance Inc in 78 companies, it was important that the money be used effectively and efficiently.

He said there had been cases of "unnecessary public expenditure", citing as examples the multi-decked OPVs (Patrol Vessels (OPV) project by PSC-Naval Dockyard Sdn Bhd and the re-acquisition of a controlling stake in Funtai Holdings Bhd to ensure it remained in local hands.

The PAC had exposed the RM5.5 billion OPV contract after the company failed to deliver on time the first two vessels. The craft were commissioned in August last

year, after an 18-month delay and an additional payment of RM200 million.

The Funtai Holdings case saw Khazanah Nasional paying RM394 million to re-acquire a 51% stake, after Singapore's Parkway Holdings bought a 31% stake at RM512 million to become a majority shareholder.

Another issue raised was the merger between ILM Libra and the government-owned Avenue Capital. On this, Shahrie said Nor Mohamed explained that there was nothing unusual about the deal since it had obtained clearance from the Securities Commission (SC).

"To say we are satisfied (with the explanation given) is not right since the PAC consists of representatives of various political parties. We all have a different degree of satisfaction. The government feels that since the SC had no objection and the majority of shareholders of the two companies want to merge, the merger should take place without any interference," he said.

Shahrie said through better monitoring of how concessions for privatised government projects were given and how such projects performed after they were taken over, unnecessary spending could be avoided.

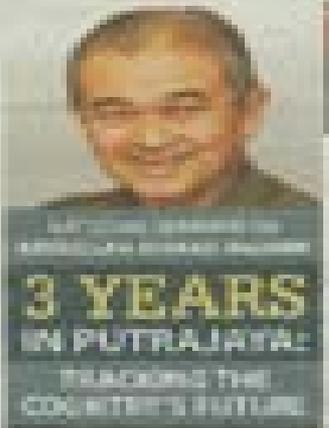
By bringing privatised projects under the ambit of cabinet committee, it would provide a "political oversight" on public fund spending.

"With such a check-and-balance system, decisions made would be effective and not

questioned later," he said, adding that under the current political system, there was no oversight system in place, unlike in United States.

Shahrie said the PAC got into the picture only now, after public monies had been spent, while a cabinet oversight committee would prevent such weaknesses.

He noted that there was now a High Impact Investment Cabinet Committee chaired by Deputy Prime Minister Datuk Seri Najib Abdul Razak, but he was not sure if monitoring of privatised projects came under its purview.



'First-class' policies, but poor delivery

By Anwar Ibrahim and Najibullah Pahlawan
anwar@anwaribrahim.com

BEIJING IS IN 1999. It is the year when Indonesia was granted its independence. It is the year when the Indonesian people were asked to elect a president.

The year of the rise of Suharto. He had ruled Indonesia for 32 years. He had been the dominant force in Indonesian politics for 32 years.

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Dr. Gnanasekaran Prasad

Should the government have been more proactive in addressing the economic challenges of the region?

"Yes, the government should have been more proactive in addressing the economic challenges of the region."

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Prof. Dr. Maheshwari Anand Das

How do you think the government should have addressed the economic challenges of the region?

"The government should have been more proactive in addressing the economic challenges of the region."

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Dr. Ganesh Anand Das

What do you think the government should have done to address the economic challenges of the region?

"The government should have been more proactive in addressing the economic challenges of the region."

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Government's gross revenue. The total investment in infrastructure projects like highways, roads and bridges, water supply, sewerage systems.

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DAMAGED CULVERTS

Severe erosion at the bottom of culvert



Crack and water ponding on the inside of culvert



Failure at the bottom of culvert



Surface undulations on the inside of culvert





Public Perceptions of Project Managers due to Failures

- Poor attitude
- Incompetent
- Dishonest
- Corrupt



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Why do projects fail?

Why do projects fail?

What the user wanted -



What the budget allowed for -



What the timescale allowed for -



What the technician designed -



What the user finally got -



More reasons why projects fail...

1. Inadequately trained & inexperienced Project Manager.
2. Failure to set & manage expectations.
3. Poor leadership at all levels.
4. Poor plans.
5. Failure to identify, document & track requirements.
6. Misalignment – partners & team members.
7. Miscommunication.
8. Poor effort estimation.
9. Inadequate or misused methods.

The Effect of Project Failures

- Facilities not fit to be used.
- Disruption in planning.
- High repair costs – wastage of public fund.

**Program/Project outcomes
will be derailed!!**

What is a PROJECT?

- ❑ a set of interrelated activities to achieve a specific goal.
- ❑ in a specific timeframe.
- ❑ to create a unique product or service.



PROJECT – characteristics :

- Unique service or product.
- Temporary endeavour.
- Definite start & end.
- Project ends when objectives are met/not met.
- No two projects are the same.
- Divided into phases.
- Pieces of work are called deliverables.

What is Project Management (PM)?

PM is the application of:

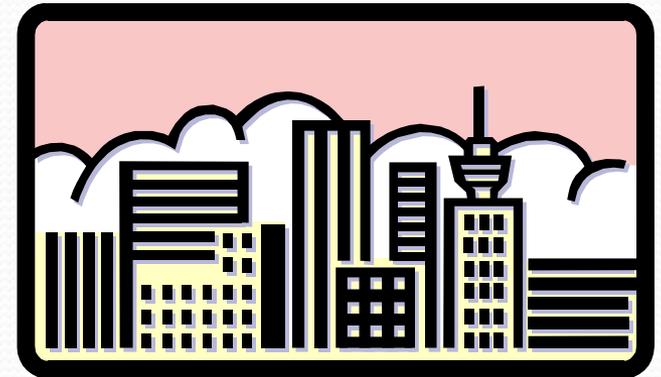
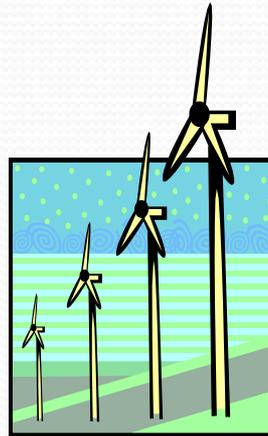
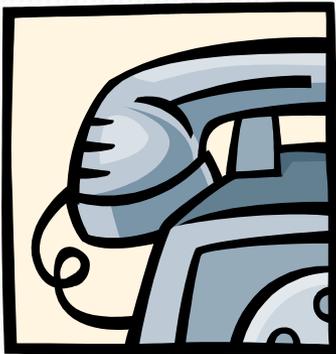
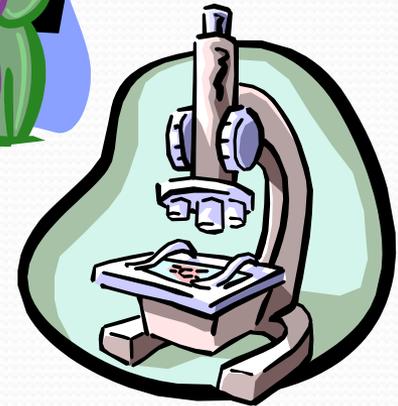
KNOWLEDGE

SKILLS

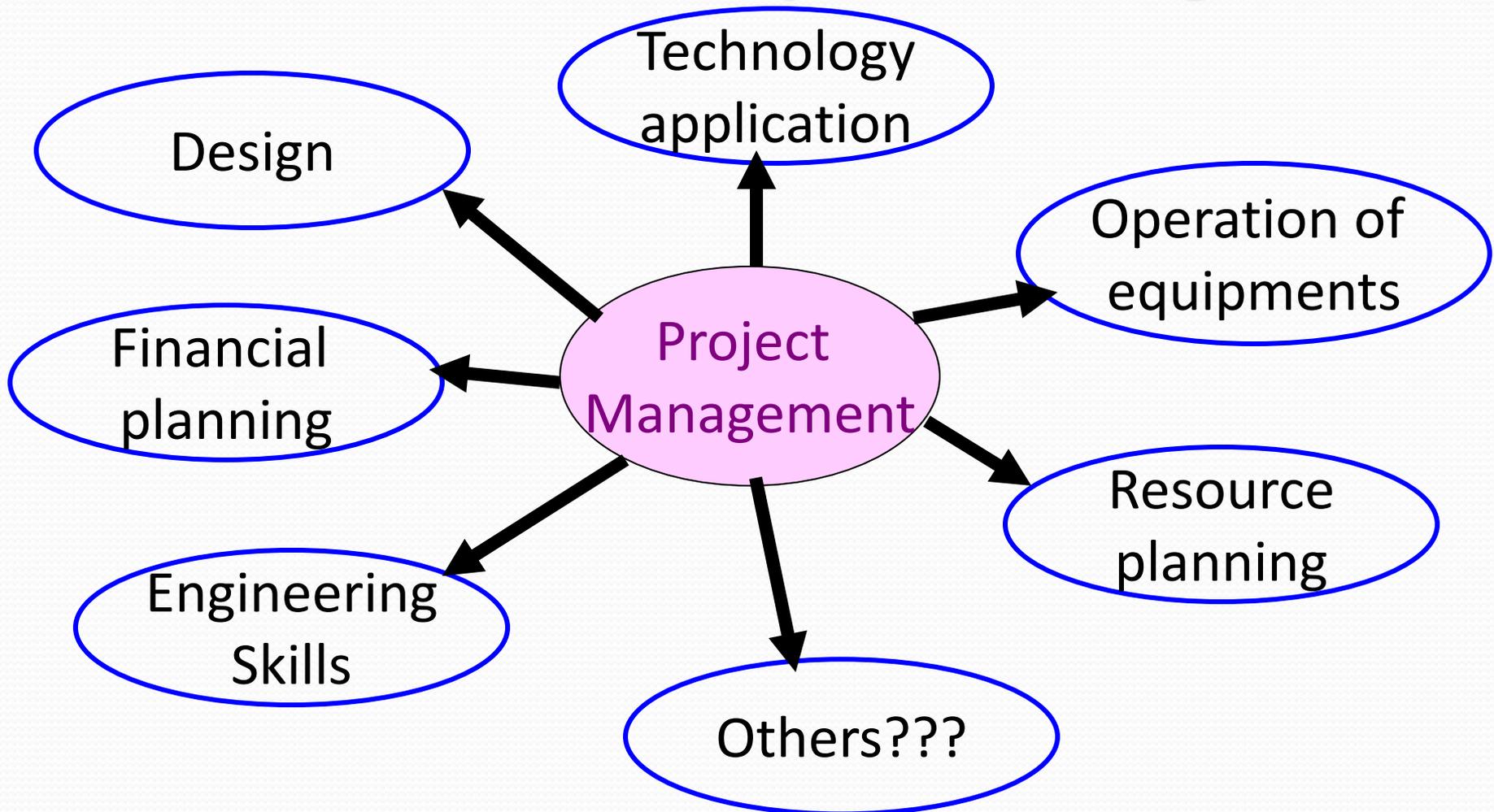
TOOLS & TECHNIQUES

To **project activities** in order to **meet or exceed stakeholders need & expectations** from a project.

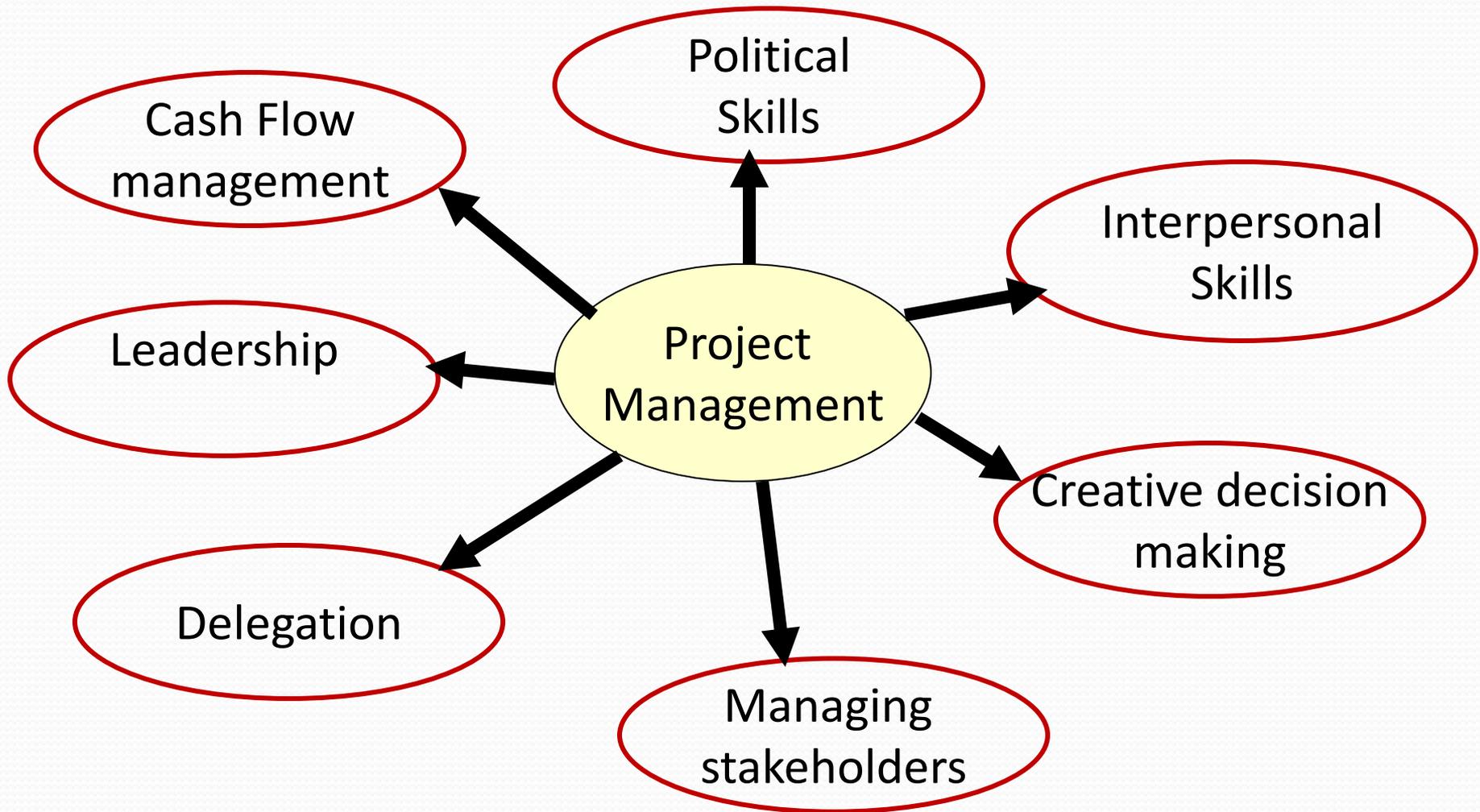
Who uses Project Management???



The Science of Project Management



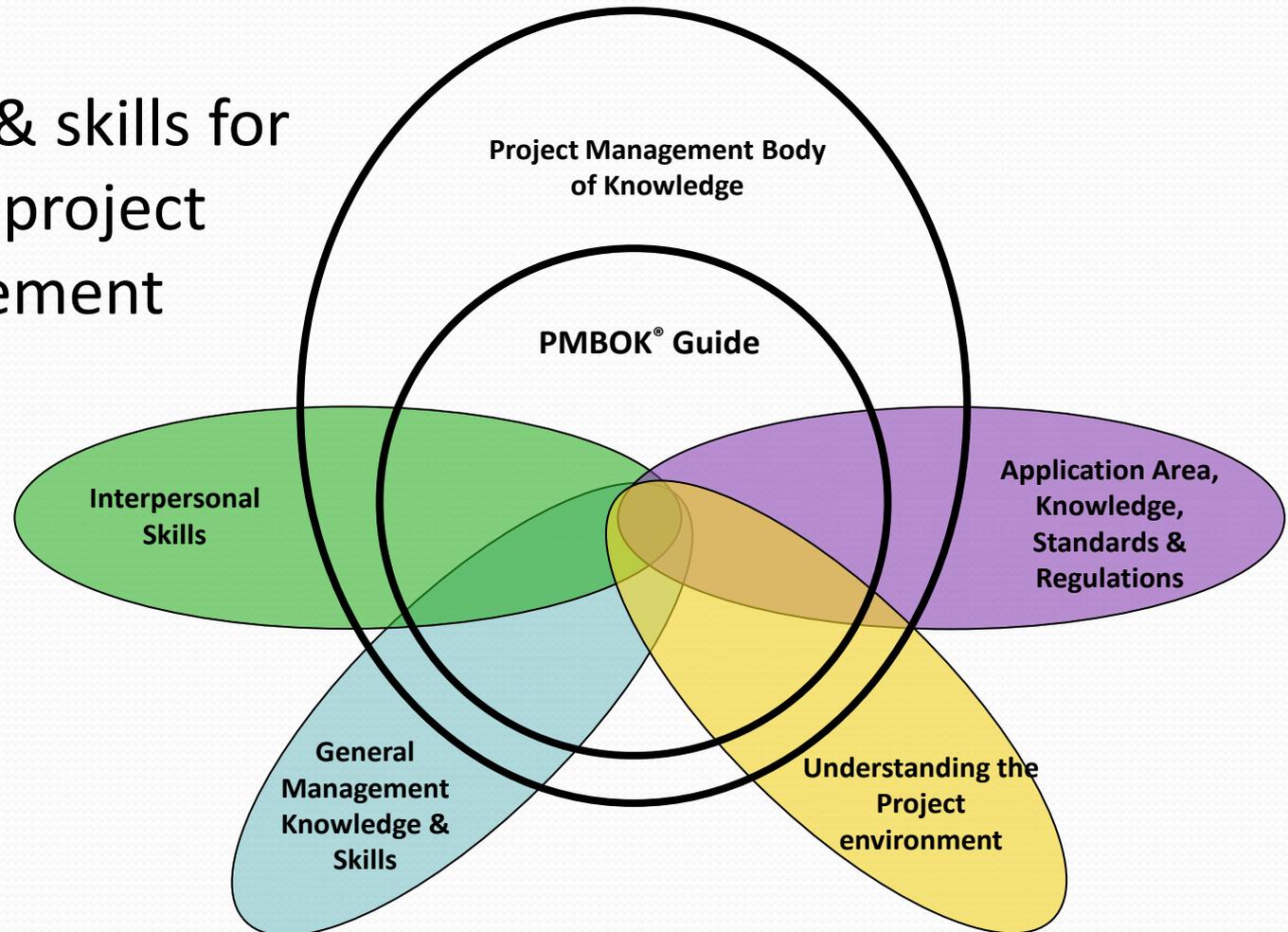
The Art of Project Management





Areas of Expertise in PM

Knowledge & skills for effective project management



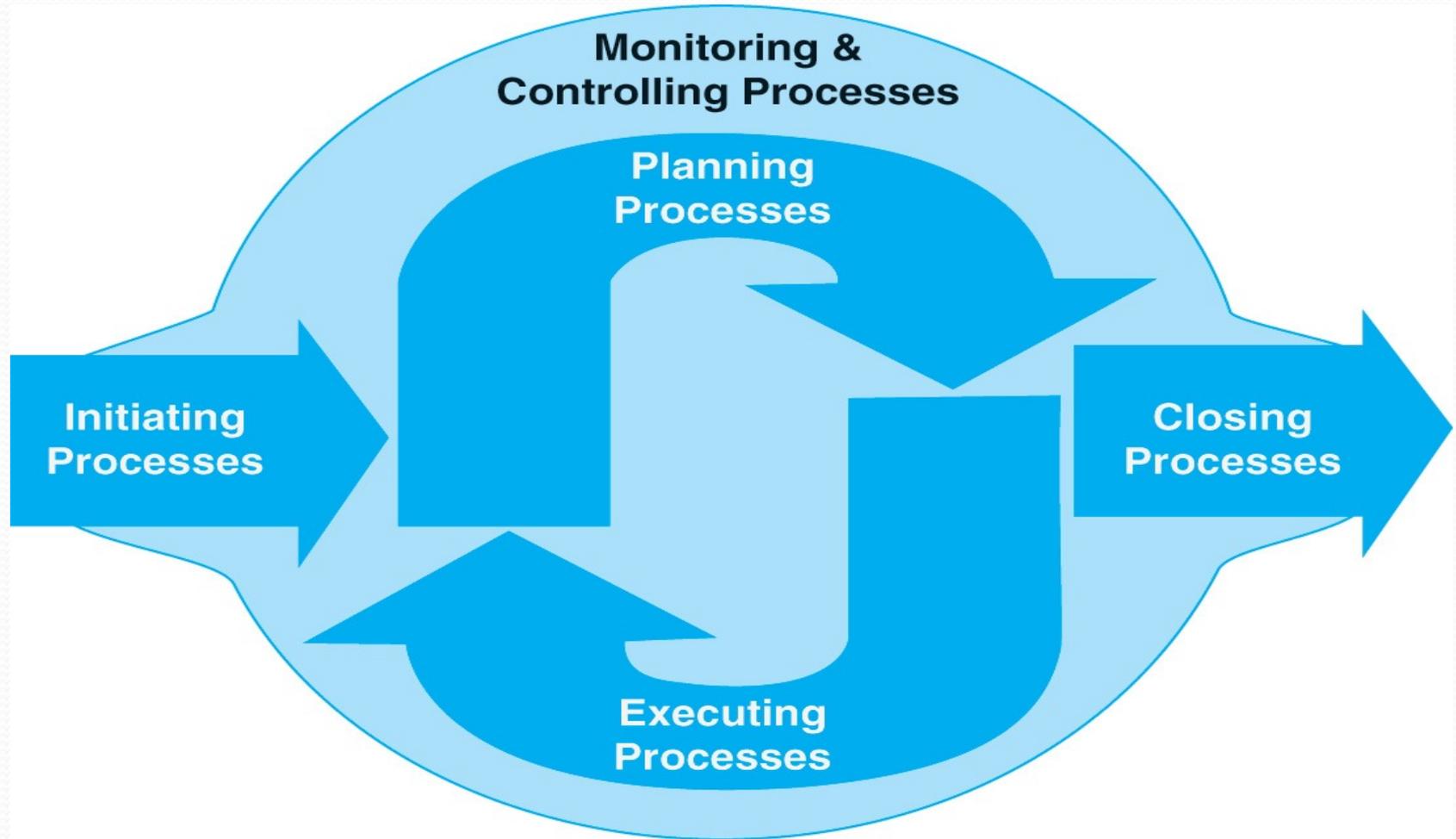
Why Project Management????

The need to shift from individual heroes to processes which enable:

- ❑ better and more predictable outcomes.
- ❑ more effective use of limited resources.
- ❑ lessons learned to contribute to improving processes.



Project Management Process Groups



PM PROCESS GROUPS

- **Initiating processes**

- Defines and authorizes the project or a project phase.

- **Planning processes**

- Defines and refines objectives, and plans the course of actions required to attain the objectives and scope that the project was undertaken to address.

- **Executing processes**

- Integrates people and other resources to carry out the project management plan for the project.

PM PROCESS GROUPS

- **Monitoring and Controlling processes**
 - Regularly monitors and measures progress to identify variances from the project management plan so that corrective action can be taken when necessary to meet project objectives.
- **Closing processes**
 - Formalising acceptance of the product, services or results and brings the project or a project phase to an orderly end.

Project Phases & Life Cycle

- Organisations divide project into several phases to provide better management control.
- Collectively phases are called **Life Cycle**.
- Each phase is marked by completion of one or more deliverables.
- Conclusion of phase marked by review of key deliverables and project performance:
 - to determine if project should continue to next phase.
 - to detect and correct errors cost effectively.

**Client Ministries
DO THE RIGHT PROJECT**

Need
Identified

Initiate
the Project

**Jabatan Kerja Raya
DO THE PROJECT RIGHT**

Plan
the Project

Design

Procurement

Construction

Handover
the Project

Example of Project Life Cycle

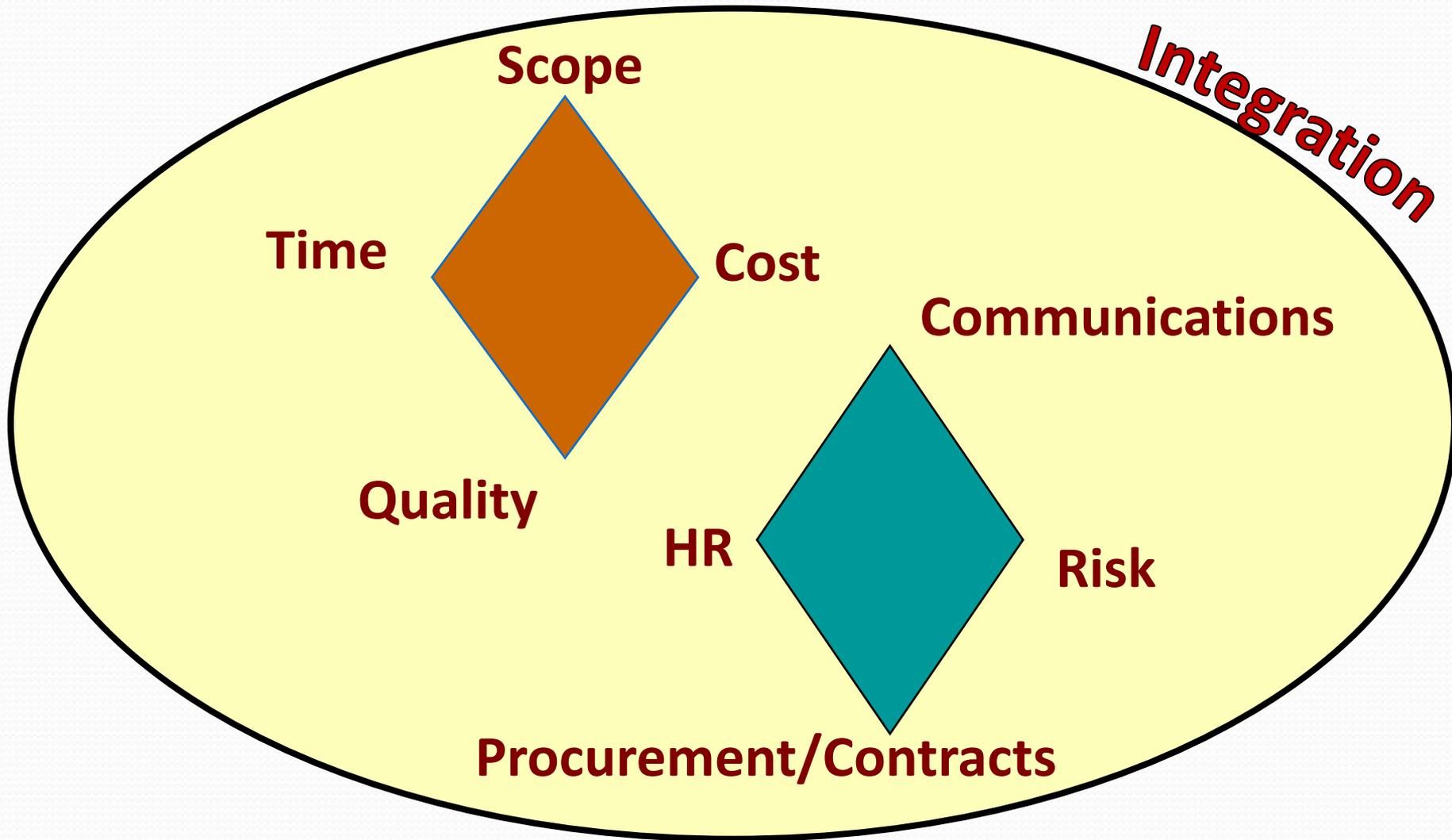
**In Project, what do we actually
manage ???**

Managing projects is a matter of keeping:

SCOPE, SCHEDULE, RESOURCES & COST in balance

- **SCOPE** is the range of tasks required to accomplish project goals.
- A **SCHEDULE** indicates the time & schedule, as well as the total project duration.
- **RESOURCES** are the people & equipments that perform or facilitate project tasks.
- **COST** of the project must be within the approved budget.

9 Knowledge Areas of PM



Project Scope Definition (puzzle formula)

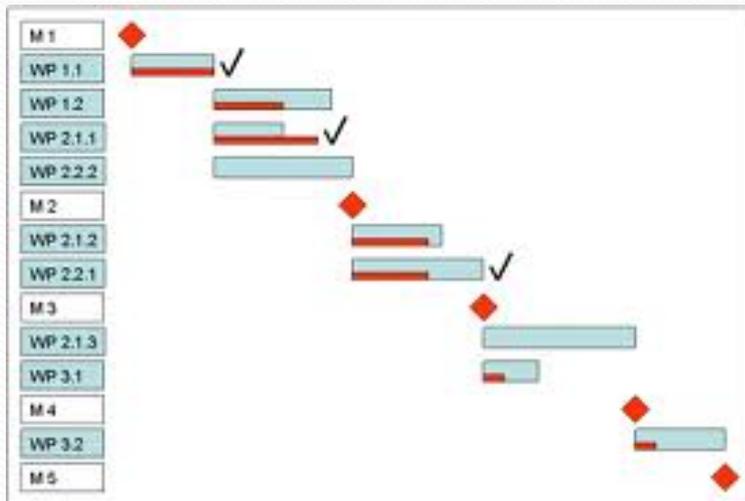
The Project Scope defines the boundaries of the project in terms of:

- what is to be undertaken;
- within what environment;
- within what timeframe.



Project Time Management

Project time management involves the processes required to ensure timely completion of a project.



Project Cost Management

Project cost management includes the processes required to ensure that the project is completed within an approved budget.



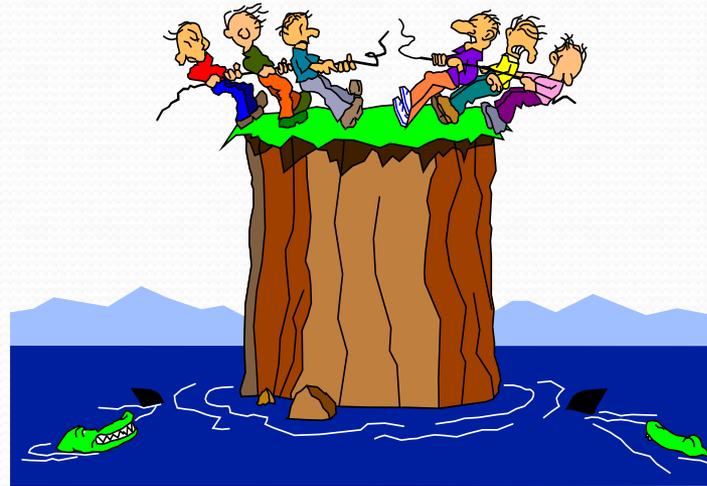
Project Quality Management

Project quality management includes the processes required to determine quality policy, objectives and responsibilities.



Project Risk Management

The avoidance or minimisation of the impact of activities that may adversely affect the project



and the exploitation of opportunities which arise.

Project Procurement Management

- ❑ Procurement means acquiring goods and/or services from a source outside the PM team.
- ❑ It can include the procurement of internal resources.
- ❑ Other terms include purchasing and outsourcing.



Project Human Resource (HR) Management

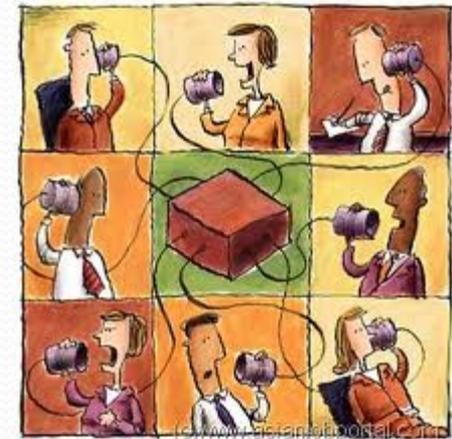
Project HR management involves organising and managing a project team.

The team is usually made up of people with specific skills and responsibilities.



Project Communication Management

Groups of processes required to ensure timely and appropriate development, collection, dissemination, storage, and ultimately, disposition of project information.



Project Integration Management

A group of processes required to ensure that the various elements of the project are properly coordinated.



Who is a Project Manager?

- A person responsible for the planning, coordination /controlling, monitoring and measurement, and reporting results of a project from inception to completion.
- A successful project manager must be able to envision the entire project from start to finish and to have the ability to ensure that this vision is realised.



Suggested Skills for Project Managers

- Project managers need both “hard” and “soft” skills.
 - **Hard skills** include product knowledge and knowing how to use various project management tools and techniques.
 - **Soft skills** include being able to work with various types of people.

Suggested Skills for Project Managers

- **Communication skills:** Listens, persuades.
- **Organisational skills:** Plans, sets goals, analyses.
- **Team-building skills:** Shows empathy, motivates, promotes esprit de corps.



Suggested Skills for Project Managers

- **Leadership skills:** Sets examples, provides vision (big picture), delegates, positive, energetic.
- **Coping skills:** Flexible, creative, patient, persistent.
- **Technology skills:** Experience, project knowledge.



Most Significant Characteristics of Effective and Ineffective Project Managers

Effective Project Managers

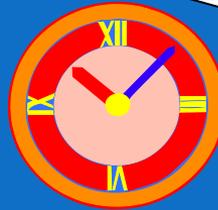
- Leadership by example
- Visionary
- Technically competent
- Decisive
- Good communicator
- Good motivator
- Stands up to upper management when necessary
- Supports team members
- Encourages new ideas

Ineffective Project Managers

- Sets bad example
- Not self-assured
- Lacks technical expertise
- Poor communicator
- Poor motivator

How Is Project Success Defined?

1. On Time



2. Within Budget



3. Quality Conformance

**Client's
Satisfaction**

Why are some projects more successful than others?

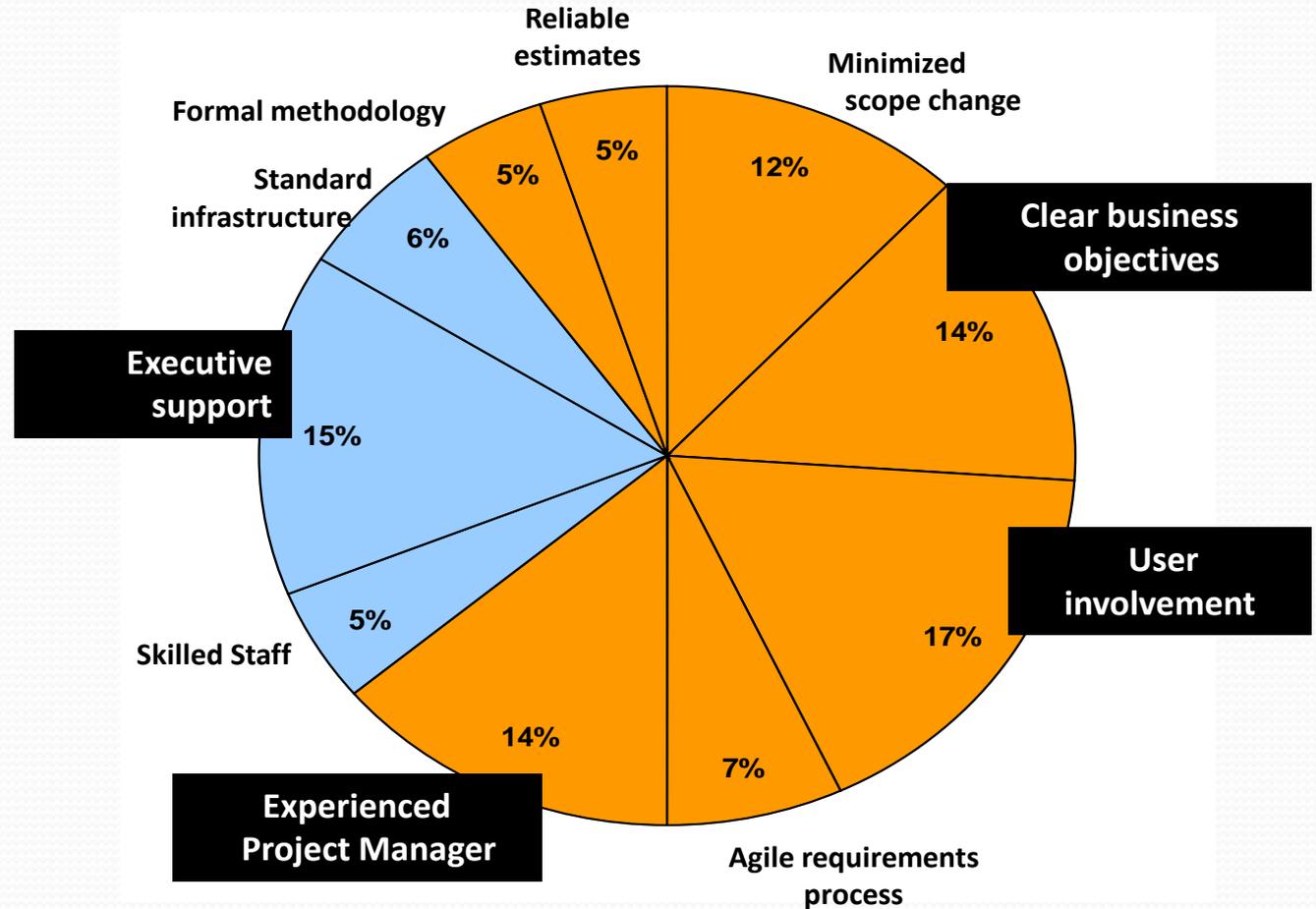
They are managed and controlled throughout their entire lifecycle.

They are monitored with rigorous change management processes used.

Success criteria is clearly articulated, agreed and its achievement the focus throughout the project.

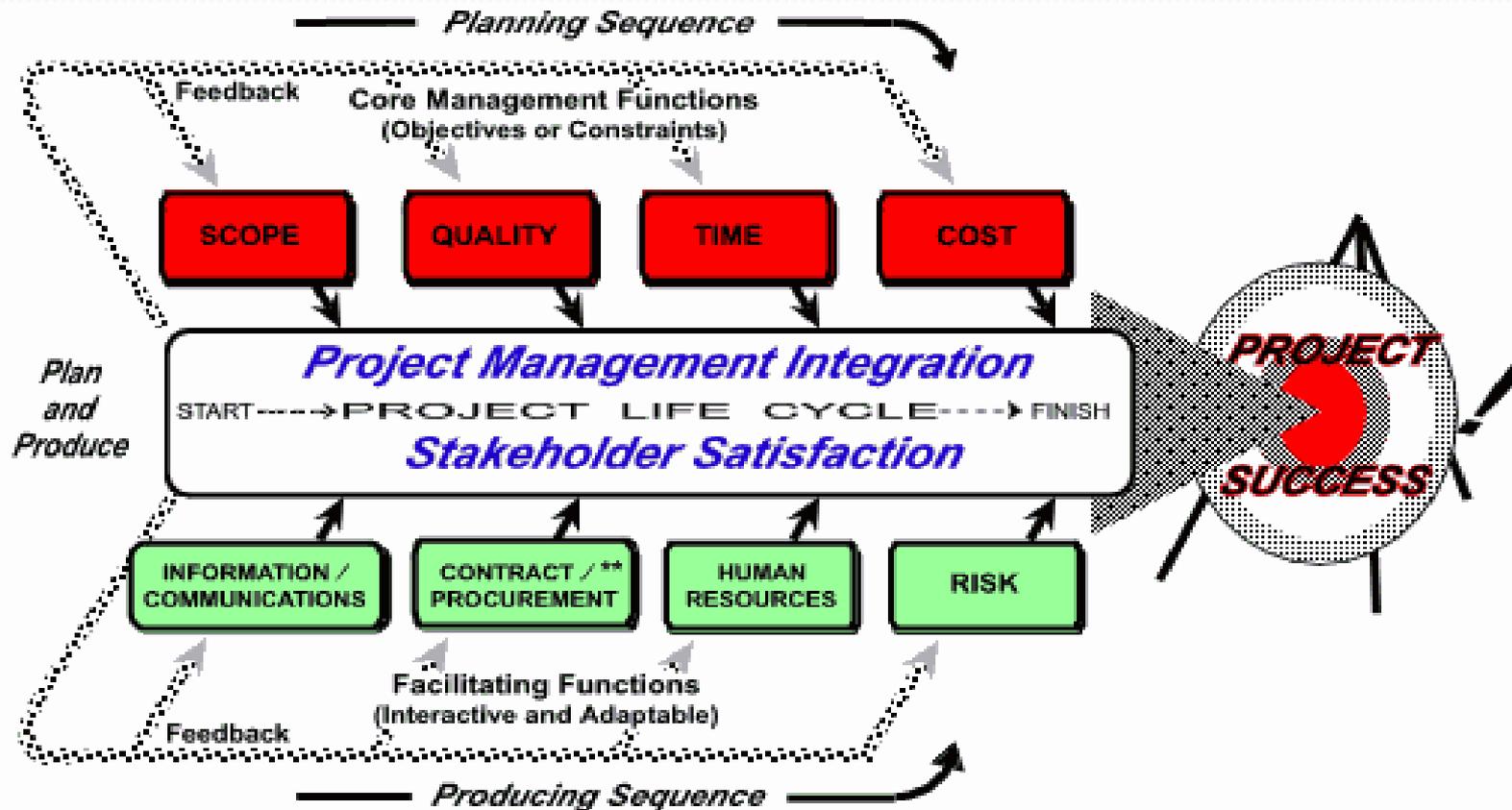
Reasons Projects Succeed

- Why ?
- What ?
- How ?
- When ?
- Who ?
- Where ?



Source: "Chaos Chronicles, III, 2003". www.standishgroup.com

Project Management The Source Of Success



** Includes both internal (informal) commitments and external (formal) contracts

RMW, CQ, EJ & Others 1990



TERIMA KASIH

Q & A