

LEARNER MANUAL

INTRODUCTORY STUDIES FOR PROJECT MANAGERS

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HOW TO USE THIS GUIDE

This workbook belongs to you. It is designed to serve as a guide for the duration of your training programme. It contains readings, activities, and application aids that will assist you in developing the knowledge and skills stipulated in the specific outcomes and assessment criteria. Follow along in the guide as the facilitator takes you through the material, and feel free to make notes and diagrams that will help you to clarify or retain information. Jot down things that work well or ideas that come from the group. Also, note any points you would like to explore further. Participate actively in the skill practice activities, as they will give you an opportunity to gain insights from other people's experiences and to practice the skills. Do not forget to share your own experiences so that others can learn from you too.

ICONS





PROGRAMME OVERVIEW

PURPOSE

The main focus of the learning in this knowledge module is to build an understanding of The integration of the various process in a project.

LEARNING ASSUMPTIONS

The main focus of the learning in this knowledge module is to build an understanding of Project management careers, the project management framework, project management process and business ethics

- KM-01-KT01: Project Management careers and qualifications (10%)
- KM-01-KT02: Project management framework (40%)
- KM-01-KT03: Project management processes (10%)
- KM-01-KT04: Business ethics (40%)

HOW YOU WILL LEARN

The programme methodology includes facilitator presentations, readings, individual activities, group discussions, and skill application exercises.

HOW YOU WILL BE ASSESSED

This programme has been aligned to registered unit standards. You will be assessed against the outcomes of the unit standards by completing a knowledge assignment that covers the essential embedded knowledge stipulated in the unit standards. When you are assessed as competent against the unit standards, you will receive a certificate of competence and be awarded 4 credits towards a National Qualification.

PROVIDER ACCREDITATION REQUIREMENTS FOR THE KNOWLEDGE MODULE

1. Physical Requirements:

- ✚ Learning resources that aligned to the content of the module.
- ✚ Assessment instruments that are focused on the internal assessment criteria.
- ✚ Access to training facilities that are well equipped and conducive for effective learning.

2. Human Resource Requirements:

- ✚ Facilitators of learning who has subject matter expertise in project management as covered by this module.
- ✚ Facilitators who has achieved a nationally accepted standard in the delivery of occupational learning.
- ✚ Facilitators of learning who has achieved a recognised learning standard in assessment practice.
- ✚ Not more than 20 learners per facilitator.

3. Legal Requirements

- ✚ None.

KM-01-KT01: PROJECT MANAGEMENT CAREERS AND QUALIFICATIONS



OUTCOMES

On completion of this section you will be able to explain project management careers and qualifications



ASSESSMENT CRITERIA

- **KT0101** Career opportunities in Project Management
- **KT0102** The skills development landscape for Project Managers
- **KT0103** The structure and focus of this qualification
- **KT0104** The structured of learning and delivery of the project manager qualification
- **KT0105** The final assessment and certification of as a Project Manager

Introduction

In its modern form, project management dates back to the early 1950s, although its roots go further back to the latter years of the 19th century. As businesses realised the benefits of organising work around projects - recognising the critical need to communicate and co-ordinate work across departments and professions - a defined method of project management emerged.

Many organisations today don't employ full-time project managers. Indeed, it's common to pull together a project team to meet a particular need, one that usually involves producing an end product or service that benefits the organization or effects change. The end result can be tangible or intangible.

Getting to that end result, successfully, is what project management is all about. At its core, then, project management centres on the planning and control of everything involved in delivering the end result - and it's a process that every person on a project team needs to embrace, understand and execute, no matter the experience level.

Even if you lack academic skills in a project methodology, taking a role in a project team provides an excellent learning opportunity, one that can improve your career profile.

Even if you're an experienced manager or team member, a review of the critical - and most basic - elements of project management can inform and improve how effectively you take projects from concept to concrete plan and through to completion.

With that in mind, here's an overview of all that project management encompasses.

Definition

A simple definition of project management includes a handful of key premises:

- Project management is no small task.
- Project management has a definite beginning and end. It's not a continuous process.
- Project management uses various tools to measure accomplishments and track project tasks. These include Work Breakdown Structures, Gantt charts and PERT charts.
- Projects frequently need ad-hoc resources rather than dedicated, full-time positions common in organisations.
- Project management reduces risk and increases the chance of success

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KT0101 CAREER OPPORTUNITIES IN PROJECT MANAGEMENT

Getting a qualification in project management will open the doors to many different careers. The following are some of the most common career choices degree holders go into:

- **Assistant Project Manager:** This is an entry-level position in which you would work side-by-side with experienced project managers to help accomplish tasks and learn the ropes of project management.
- **Associate Project Manager:** This is another entry-level position in which you would work with other project managers to oversee a project.
- **Business Project Manager:** This is typically a corporate position that may work with clients, work within company infrastructure, or consult with other business projects.
- **Contract Project Manager:** As a contractor you would not have the same responsibilities as a full-time project manager. Contract project managers must apply skills to new situations and work well with strangers.
- **Construction Project Manager:** Project management within the construction industry involves supervision of construction projects. Examples of tasks may include supervising the building of residential homes, commercial properties, or other building projects.
- **Information Technology (IT) Project Manager:** In this position you would work with computers, servers, and entire networks, including building and maintaining computer systems.
- **Product Manager:** Within this position you would focus on a specific product, its manufacturing, promotion, and pricing.
- **Project Coordinator:** This is another entry-level position that focuses on doing lighter tasks, such as planning and organization, that assist the main project managers.
- **Senior Project Manager:** This is the highest position that you can obtain as a project manager. It takes about ten years of experience as a project manager to become a senior project manager.
- **Software Project Manager:** This position is similar to an IT project manager, but it deals specifically with updating software. In this position you would need to oversee the development and improvement of existing and new software.

Career Tips

A qualification in project management will definitely help your career prospects but securing an internship while in school will greatly boost your resume and enhance your current skills. Check to see if your college or university offers an internship program. Spending a semester, if not more, interning at a local business or organization will prove invaluable as you seek employment. What's more, internships provide networking opportunities. Meet as many people in the field as possible and ask for business cards because you never know when a connection you've made will lead to a job.

If your program does not offer an internship program, that's okay. But you'll need to do most of the legwork on your own. Talk to your professors about possible openings in the area or how to go about looking for an internship. Some instructors have connections to big companies. You can also search online for openings or post your resume on job search sites. You never know who a job or internship might have opening!

You might also want to consider signing up for webinars and attending conferences and job fairs designed for recent graduates or people in your field. Webinars are a great way to get useful nuggets of information without taking an entire course. Conferences and job fairs are designed for networking and professional development, so why not attend as many as possible? You'll not only learn tricks of the trade, but you'll mingle with like-minded people who share the same professional ambitions

KT0102 THE SKILLS DEVELOPMENT LANDSCAPE FOR PROJECT MANAGERS

Project managers need a variety of skills to plan, procure, and execute a project, making sure everything is on track and that everyone involved is working to their full potential. If there are any issues, delays, or problems, the project manager is the point person to work with the client or company to review how to fix those issues. They are not involved in the hands-on work but instead makes sure progress is being made and keeps everyone on task.

Project managers play a key role in the launch of new products, the construction of new sites, and the development of new programs. The role is essential in nearly every industry. An architecture company will use project managers to handle the development of a new building, while a shampoo company may need one to launch a new product.

Skills Required

Project managers streamline processes, manage the work of dozens or even hundreds of people, and keep production on time. The job requires extensive soft skills, including communication and organization, to succeed.

Here are some of the top skills necessary to be successful:

- **Communication:** Project managers spend most of their time communicating with staff, reporting progress or problems to clients, or negotiating with vendors. Verbal and written communication skills are keys to success. They may be called on often to give presentations, so it is important to be comfortable using presentation software and speaking in front of large groups of people.
- **Leadership:** The ability to lead and motivate a team is critical to progressing any project. Project managers need to resolve personality conflicts and boost team spirit while also guarding against late or sloppy work.
- **Management:** To work effectively, managing people is essential. From delegating work to holding individuals accountable, it's a project manager's responsibility to set goals, evaluate performance, and encourage collaboration.
- **Negotiation:** Project managers will negotiate with clients on an appropriate schedule and scope of work. They will bargain for certain resources and

manpower. Knowing how to negotiate to get what they need to succeed and keep everyone involved satisfied is a skill developed and improved through experience.

- **Organization:** Project managers are unlikely to be successful if they are sloppy or forgetful. Because they are juggling so many different aspects, they need to be organized in both their professional and personal lives. It's important for project managers to develop an organizational system, whether it's an electronic note-taker or a paper planner, to keep all of the details on top of mind.
- **Problem Solving:** Issues that need attention regularly come up for project managers, and it's their duty to predict potential problems in advance and brainstorm solutions in case these issues arise. Having backup plans and alternatives available can prevent costly delays and keep work on track. Most risks are not urgent if they are anticipated. However, not every issue can be predicted, so it's also important for project managers to nimbly deal with unexpected problems and make sure that minor issues do not turn into major setbacks.
- **Budgeting:** All projects are going to have a fixed amount of funding available to them. It's a project manager's responsibility to develop a budget for that money and make sure it is being followed closely. This is a skill that requires experience. Only with time spent working on large projects can managers develop the knowledge necessary to know where costs likely will mount and where savings can be found.

KT0103 THE STRUCTURE AND FOCUS OF THIS QUALIFICATION

Project management structure is very vital to the success of any project team; an organization or project team that is structured gives support to the work that's being done. Misaligned project management teams or organizations create a negative impact on the outcome of a project. This is simply because the organizational structure has an influence on the authority of the project manager, thereby affecting how projects are run. It goes without saying that non-structured project management teams often lack guidance and a guided team drives successful projects.

In this guide, we are going to be looking at the project management organizational structure from two angles; we will be studying them in terms of who the project leader is and who is responsible for decision making where the project is concerned.

As we know, an organization could be defined as a group of persons who come together to accomplish set goals; in order to successfully achieve those set goals, a project manager would need to familiarize himself with the project management office structure.

Three Types of Project Management Structures

An organizational structure could be described as the official line of authority and control within an organization. Project management structures tell us how reporting relationships work in a particular organization.

Depending on the environment the organization finds itself operating in, the goals they set for themselves and the nature of work being done, you would find that organizations are structured in 3 ways:

- Functional Organizational Structure
- Matrix Organizational Structure – This can be further broken down into – Balanced matrix, Strong Matrix, and Weak Matrix
- Projectized Organization Structure

Now that we know how organizational structures are categorized, let's take a closer look at each one of them to see what makes them unique.

Functional Organizational Structure

In a functional organizational structure, you would find the components of a hierarchy system where authority-driven decisions on budget, schedule, and equipment rest on the shoulders of the functional manager who possesses a significant level of expertise in the same field.

That is to say that the project manager, in this type of organization has little to no authority here; in some functional organizations, that position does not even exist.

What would you find, however, is that the work is broken down into departments such as the human resource department, sales department, finance, public relations, administration, etc.?

In simple terms, it can be likened to that of a more traditional company where staff is presided over by a supervisor, based on their functions within the organization and communication is most often done through the department heads to senior management.

What is fascinating about this type of organizational structure is that employees appear to be more skilled in their respective departments, thereby leading to greater work efficiency. Everyone knows who to hold accountable if something were to go wrong as responsibilities are predetermined.

On the downside, the work may prove monotonous over time, which could result in less enthusiasm and reduced loyalty to the organization. In addition to that, you would also find that cross-departmental communication becomes poor and the high level of bureaucracy could affect decision-making negatively.

Projectized Organizational Structure

The projectized organizational structure is the opposite of the functional organizational structure even though the organization may still group staff according to their work functions.

In this case, the project management team structure is organized in such a way that the project manager has project authority. He has jurisdiction over the project's budget, schedule, and the project team. You would find him at the top of the hierarchical structure, calling all the shots; with employees playing supporting roles for the project. At the end of the project, the project team members are released, and resources directed towards more relevant areas.

What's great about this kind of structure is that there is a clear, established line of authority; resulting in faster decision-making and approval. Communication becomes easier and more effective and project team members gain more experience working on different types of projects as the need for them arises.

A major disadvantage to this type of organizational structure, however, would be that employees could see themselves being under a lot of pressure most of the time, especially if they happen to work on multiple projects at the same time. This often leads to poor communication amongst the team members as everyone is left more or less playing "catch-up".

Matrix Organizational Structure

The matrix organizational structure can be found lying somewhere between the functional organizational structure and the projectized organizational structure depending on what type of matrix structure is being run.

For instance, the strong matrix organizational structure has some similarities with that of a projectized organizational structure in the sense that the project manager is responsible for a project. If the organization is running a weak matrix structure, then the project authority would fall to the hands of a functional manager – as it is in a functional organization. Interestingly enough, in a balanced matrix organization, both the project manager and the functional manager shares equal authority for the project.

If an organization finds itself working in a dynamic environment, then this might be the right structure to run with it and it promotes greater efficiency, helping the organization respond to customer demands or changes in the marketplace, faster.

This is easily achieved because while the project manager exhibits project authority in a horizontal manner, the functional manager does so in a vertical, flowing downwards. For example, the project manager could be responsible for handling project schedule or budget while the functional manager would be responsible for outlining and distributing responsibilities, overseeing the performance of the equipment, etc.

In Summary

In this post, we looked at what an organizational structure was and how vital it was for project managers to understand the different organizational structures.

We looked at the merits and demerits of running a functional, projectized and matrix structure and we noted that the decision to go with either of them would depend on the kind of environment in which the organization operates in, their goals and the nature of work being done

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KT0104 THE STRUCTURED OF LEARNING AND DELIVERY OF THE PROJECT MANAGER QUALIFICATION

For any business to be successful, project management is essential; it is the core of nearly all daily operations. A project manager is responsible for grouping skilled workers into teams, constructing and instituting team plans, and facilitating the execution of all projects. This is all done to achieve the company's goals. Specific duties and roles for each project manager depend, to a large extent, on the company the manager works for and the industry in which the company operates.

Often, a project manager begins his or her career in management at a consulting firm. This firm provides training in management methodology. In many cases, this individual starts as part of the team working under a project manager and works his or her way up into a management position. To be successful, project managers must have extremely good communication and motivation skills, enjoy working with others while maintaining a leadership role, pay close attention to details, and be organized.

Principal Responsibilities

For any project manager, organization is the essential quality to possess. When a business assigns a project manager to a project, multiple factors and elements are involved and must fall into place seamlessly for the project manager to execute the project and achieve the company's desired result.

In some instances, multiple departments within a business must work together to complete a project. Under these circumstances, the project manager must direct and oversee each department's plans, ensure all departments are functioning effectively and staying on task, and combine all aspects to complete a project on time and within its budget. Staying within the company's established budget and meeting the deadline for every project are the two primary responsibilities of every project manager.

KT0105 THE FINAL ASSESSMENT AND CERTIFICATION OF AS A PROJECT MANAGER

The Project Management Institute (PMI) offers a professional credential for project managers, known as the Project Management Professional (PMP)®. PMI's professional credentialing examination development processes stand apart from other project management certification examination development practices. PMI aligns its process with certification industry best practices, such as those found in the Standards for Educational and Psychological Testing. The PMP® credential is also accredited against the internationally recognized ISO 17024 standard.

A key component of this process is that organizations wishing to offer valid and reliable professional credentialing examinations are directed to use a Role Delineation Study (RDS) as the basis for the creation of the examination. This process utilizes knowledge and task-driven guidelines to assess the practitioner's competence, and determine the levels of salience, criticality, and frequency of each of the knowledge, tasks, and skills required to perform to the industry-wide standard in the role of a project manager. The Role Delineation Study ensures the validity of an examination.

Validation assures the outcome of the exam is, in fact, measuring and evaluating appropriately the specific knowledge and skills required to function as a project management practitioner. Thus, the Role Delineation Study guarantees that each examination validly measures all elements of the project management profession in terms of real settings. PMP credential holders can be confident that their professional credential has been developed according to the best practices of test development and based upon input from the practitioners who establish those standards.

The PMP examination is a vital part of the activities leading to earning a professional credential, thus it is imperative that the PMP examination reflect accurately the practices of the project management practitioner. All the questions on the examination have been written and extensively reviewed by qualified PMP credential holders and tracked to at least two academic references. These questions are mapped against the PMP Examination Content Outline to ensure that an appropriate number of questions are in place for a valid examination. MI retained Professional Examination Service (ProExam) to develop the global PMP Examination Content Outline. Since 1941, Pro Exam has provided a full range of assessment and advisory services to organizations across a broad range of professions, in

support of professional licensure and certification, training, and continuing professional education. ProExamis dedicated to promoting the public welfare through credentialing as a mission-driven, not-for-profit organization.

ROLE DELINEATION STUDY (RDS) PROCESS

Defining the Responsibilities

The first step in developing a certification examination is to define the responsibilities of the recipients of the credential. It must be known what the individuals who lead and direct projects actually do on the job before a content-valid test can be developed. A valid examination draws questions from every important area of the profession and specifies that performance areas (domains) considered more important, critical, and relevant be represented by more questions on the examination. Defining the role of individuals leading and directing projects occurs in two major phases: one in which individuals currently in the role define the responsibilities; the other in which the identified responsibilities are validated on a global scale.



1. Explain structure and focus of the Project Manager qualification [10]
2. What are the career opportunities in project management [10]

KM-01-KT02: PROJECT MANAGEMENT FRAMEWORK



OUTCOMES

On completion of this section you will be able to demonstrate an understanding project management framework



ASSESSMENT CRITERIA

- **KT0201** Definitions and key concepts
- **KT0202** Project, program and portfolio management
- **KT0203** Relationship between project management and operations management and organisational strategy
- **KT0204** The business value of projects
- **KT0205** The role of the project manager
- **KT0206** The impact of the project environment on project management options
- **KT0207** The project life cycle
- **KT0208** Project stakeholders and governance
- **KT0209** The project process groups and knowledge areas.

KT0201 DEFINITIONS AND KEY CONCEPTS

Perhaps, you've ever heard about such term as Project Management (PM) framework. It is widely used in many methodologies and approaches as a general term to explain what key components are included in managing and governing a project.

What is the project management framework? If to be simple, it is a suite of structural elements or units that create a theoretical foundation for the project management process.

For example, you want to build a house. House building will your project. First, you need to create a draft of the house and outline the structure including walls, ceiling, floor, doors, and so on. Then you need to acquire tools and materials as well as hire workers who will do your project and construct the house. In this particular case, the framework of your project will be the draft, all the resources you are going to utilize for building the house, and all your plans and expectations

Definition

In some books and articles, PM framework is called "*a project framework*" – both terms have similar meaning, yet the first word is correct and recommended for use. At the same time, in this article we do not pursue this idea, so both terms will be used as equivalents.

Project management framework (PM framework) is a subset of tasks, processes, tools and templates used in combination by the management team to get insight into the major structural elements of the project in order to initiate, plan, execute, control, monitor, and terminate the project activities throughout the management life-cycle. PM framework allows using various methodologies and approaches to plan and schedule the major phases of the life-cycle.

Regardless of the type, size and nature of project, a typical PM framework includes micro & macro phases, templates and checklists, processes and activities, roles and responsibilities, training material and work guidelines – all this information is organized and systematized into a structure allowing managers and planners to control progress of their projects throughout the life-cycle.

The idea behind the project framework is to create and share a clear understanding of the basis of a project and share this understanding among all stakeholders, including the team. The idea should be followed by all the stakeholders throughout the whole management life-

cycle, thereby the project will be accomplished according to a chosen methodology and delivering expected results.

Basic Elements

We tried to create a detailed description of the project framework to allow individuals and groups involved in their projects to review the content of the framework and investigate its basic elements. Following project management best practices, we made a description of PM framework showing the elements in hierarchical order.

With reference to the given PM framework definition, there are several basic elements:

- Initiation.
- Planning.
- Execution.
- Control.
- Closure.

The purpose of PM framework is to:

- Simplify and assist with sharing information on project management best practices, approaches, tools, templates and samples.
- Create and share an understanding of the best practices for planning & management for all types and kinds of project, including IT projects, construction projects, etc.
- Improve the level of competence
- Contribute to setting common standards and requirements for various projects and establishing common terminology.

KT0202 PROJECT, PROGRAM AND PORTFOLIO MANAGEMENT

What is project management?

According to the Project Management Institute (PMI), a project is a “temporary endeavor undertaken to create a unique product, service or result.” A project is designed to achieve a specific objective and has a defined beginning and end.

Project management is the discipline of using principles and procedures to manage a project from conception through to delivery of an outcome, such as an application, event, product or service. This can include:

- Definition of project goals
- Intake and management of requirements
- Breakdown and scheduling of tasks
- Budget and cost management
- Assignment and management of project resources
- Communication of project status against milestones

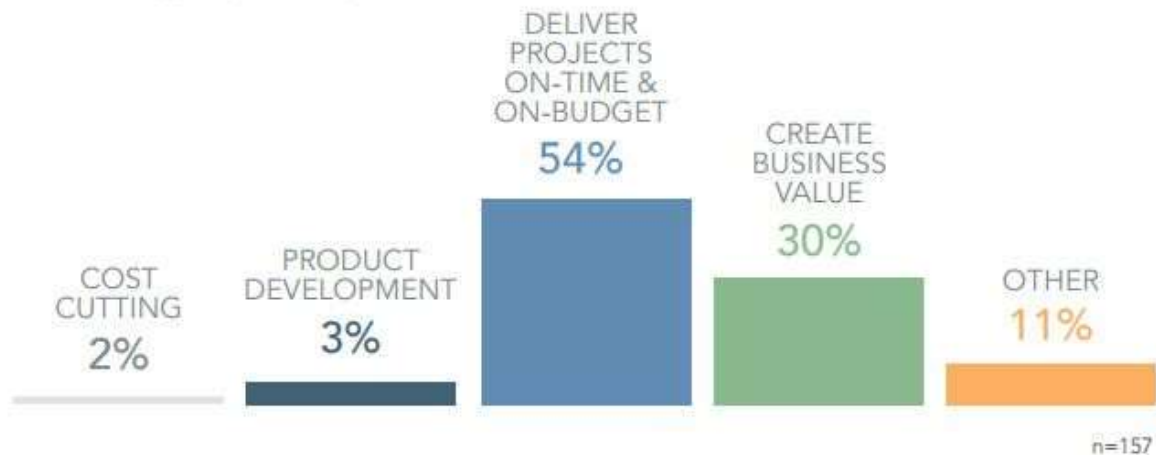
The person responsible for managing a project is typically called a *project manager*. The responsibilities of a project manager may include:

- Project scoping, scheduling, and approvals
- Resource management
- Budget management
- Risk management
- Status reporting to team members and stakeholders

In more mature organizations, project managers work in or with a group or department called a *Project Management Office (PMO)*. The PMO defines and sets standards for how projects are managed within the organization.

Coming to the annual Project and Portfolio Management Landscape survey, almost half of PMOs are responsible for both maintaining operational work and driving strategic projects for business value.

THE PRIMARY GOAL OF THE PMO



The Primary Goal of the PMO

What is program management?

According to the PMI, a program is “a group of related projects managed in a coordinated manner to obtain benefits not available from managing them individually.” Programs often:

- Have strategic business objectives that are transformational in nature
- Cross departments or business units

Program management is the translation of strategic objectives into measurable business outcomes, coupled with the integration of the many related initiatives required for the outcome to be realized.

The person responsible for managing a program is often called a *program manager*. The role of program manager varies depending on the organization. Some organizations emphasize the business aspects of the role. Others focus on an IT or technology and will highlight specific technical and project management qualifications. Program managers lead the end-to-end charge of the cross-functional program, from shaping the approach to delivery of the set of desired outcomes. The program manager also has responsibility for:

- Prioritizing and funding initiatives
- Defining a cross-organizational roadmap
- Ensuring resource capacity and availability
- Managing interdependencies between projects
- Ensuring that program-level goals are achieved

Program managers often report into an Enterprise PMO or Strategic Planning Office and have responsibility for managing strategic initiatives that span departments and business units.

Learn more about how program managers help operationalize strategic plans. Read [Program Management: The Key to Strategic Execution](#)

What is project portfolio management?

A project portfolio is the group of projects being worked on by an organization.

Project Portfolio Management (PPM) is typically a function of the PMO team and is a formal approach to orchestrate, prioritize, and analyze the potential value from a set of projects. An organization that employs project portfolio management centralizes the identification, prioritization, authorization, and management of projects within a portfolio.

A *portfolio manager* is responsible for managing and leveraging the life cycle of investments, initiatives, programs, projects, and outcomes to optimally achieve enterprise goals and objectives.



Inter-relationship of Portfolio Management, Program Management, and Project Management to Drive Strategic Objectives

What is project portfolio management software?

Most PMO teams employ software designed to automate many of the functions required to successfully manage projects and project portfolios.

Just as there is a difference between the scopes of project management, program management, and portfolio management, there is also a difference between *project management software* and *project portfolio management software*.

Project management software, such as Microsoft Project, facilitates common project management functions such as the creation of a Work Breakdown Structure (WBS) and Gantt charts.

Project portfolio management software delivers the functionality found in project management software combined with additional capabilities required to manage project portfolios. For example, Planview's project portfolio management solutions deliver capabilities required to manage work and resources across the portfolio such as:

- Centralization of projects
- Project alignment and prioritization
- Real-time analytics to measure and manage projects and resources
- Resource management and capacity planning
- Time tracking
- Project financial management
- Intake and demand management
- Integrated Gantt charts
- Visibility into all types of work – agile, collaborative, iterative, project
- Predictive portfolio analysis
- Investment planning and portfolio/program level financial management
- Strategic planning
- Roadmapping
- Program management
- What-if scenario planning

Should your PMO team move from project management to project portfolio management software?

According to the results of the annual Project and Portfolio Management Landscape survey:

- 73% of organizations report that they don't have enough resources to meet incoming demand
- 55% of organizations report their projects and resources are not well aligned with business goals
- 49% have seen a project fail in the past 12 months

These challenges can be addressed by using project portfolio management software.

If your organization never seems to have enough resources to meet incoming demand, PPM software will help your PMO balance, prioritize, and schedule resource capacity and provide a real-time view into both future and in-flight work across project teams, departments, geographies, and the enterprise.

If your organization's projects are not aligned with business goals, PPM software will help your PMO centralize demand intake and optimize the project portfolio to deliver on strategic initiatives.

If a large percentage of your organization's projects fail, PPM software will give your PMO team a unified top-down view of all work and resources so they can proactively manage and project changes and risks.

PMO teams have always been in a position to provide value. But staying relevant means changing with the times and adapting to changes in technology, management demands, and business needs. Arming your PMO team with the right tools empowers them to drive both the strategic and day-to-day programs that advance the corporate strategy.

Summary

Within the context of Work and Resource Management (WRM), there is a distinct difference between project management, program management, and portfolio management. Each is managed by people with different roles and responsibilities and each requires different levels of functionality from the software used to facilitate management.

Project portfolio management (PPM) software provides an opportunity for organizations to improve PMO performance, make better decisions, and operationalize business strategy by centralizing demand management, prioritizing work, and improving visibility into the portfolio of projects.

KT0203 RELATIONSHIP BETWEEN PROJECT MANAGEMENT AND OPERATIONS MANAGEMENT AND ORGANISATIONAL STRATEGY

Operations management is how business leaders take raw materials and convert them into saleable goods. This is true when the saleable products are products or services. The organizational strategic goal is to use operations management to be as efficient as possible. When operations management is efficient, goods and services are produced at a higher capacity, reducing the cost per unit. Business leaders need to consider all strategies that improve efficiency and company profitability. Problems in efficiency require cost-cutting measures.

Operations Management Definition

The definition of operations management is that management and control with regard to the design, implementation and creation of the products or services that a company makes. Operations managers control ordering supplies, scheduling labor and the use of facilities, which create what the company sells. Controlling costs and using labor and materials efficiently is imperative to keep the costs of goods sold (COGS) to a minimum.

For example, a company that manufactures wallets has a department led by the operations manager, who is the one that oversees the wallet manufacturing plant. Administrative, sales and distribution departments might be located at a completely different facility, and with different leadership. The COGS requires using textile materials such as leather and thread. Workers must operate the machines that sew the wallets together. There are utility costs and maintenance costs that go into running the manufacturing plant. Operations managers control the budget for all operations expenditures. If manufacturing is deemed inefficient, operations costs are highly scrutinized.

Operations Management Strategy

Operational management seeks to keep those costs down by constantly evaluating where money is going in producing the goods. With the wallet manufacturing plant, the operations manager could use bulk purchases of textile materials to get a discount on pricing. He might change traditional light bulbs for energy-efficient LED bulbs, which would reduce energy costs or he might use part-time labor for certain tasks, so as to reduce payroll costs.

Every one of these options is a strategy that feeds into the overall goal of keeping the COGS low. With all of the other expenses in the company remaining the same, if the COGS are reduced, the company makes more money. Making more money is the ultimate goal of every for-profit company, so being successful in creating efficient systems means that a significant goal has been achieved.

Relationship of Operations Management

The relationship of operations management with other functional areas in the overall organizational strategy is important to consider. The cost of goods sold is not the only area where costs controls take place. The business leaders need to consider all levels of costs from operations, sales, administrative and distribution. Strategies must match the overall mission and vision of the company.

For example, if the wallet manufacturer's mission is to provide higher quality handmade wallets, then bulk automation with machines doesn't feed into this strategy. The COGS may

be more expensive because the labor costs in operations go up. If that is the case, the company needs to consider increasing the price of the products or to reduce costs elsewhere in the company, perhaps in administrative areas.

Another example is that if the company is expanding and needs to increase production. In this instance, costs will increase, but with proper operations management, double production won't mean that the COGS pricing will not double. The organizational strategy here is to scale up the production and sales in a way that enables a greater profit-per-unit ratio, because production has achieved greater efficiency. Every step must consider the effect of that strategy to the COGS; it must also consider what the effect of that strategy is on the overall bottom line of the company. Every company's goal is to be as profitable as possible. Having good operations management provides the efficiency to achieve that.

KT0204 THE BUSINESS VALUE OF PROJECTS

How do we measure project success? Do we measure budget and schedule or do we measure net value delivered to the organization? Today, we tend to measure the former. But it is the latter, delivered value, which is the truer measure. This is the way projects will be evaluated in the future. The current Triple Constraint focuses on the delivery portion of a project, rather than its business value. It focuses on a single project and is primarily based on a cost view.

The Value Triple Constraint is an evolution of the Triple Constraint. It is a framework for measuring the on-going value delivered through projects and for bringing to light the "value left behind". It is pictured below



Exhibit 1 - Value Triple Constraint

The Value Triple Constraint states:

Value delivered is a function of the **Scope** of the business opportunity and of our **Capability** to identify, decide and deliver to the opportunity.

From a business perspective, a project is aimed at taking an organization from one level of measured performance to a higher level of measured performance. To determine if we have achieved that objective, we need good methods of measurement.

The Value Triple Constraint: Tracking Four Distinct Phases

The Value Triple Constraint (VTC) tracks an opportunity through each of four distinct phases as follows, from last to first:

- **Realization Phase.** This is where we implement the output product or service and begin to harvest the results. Naturally, we want to deliver a positive value. In reality, this may be considered mostly outside the project, since it occurs after the project is complete.
- **Delivery Phase.** This is our current focus of attention. It consumes most of the effort, attention and costs of the project. It is the phase where we apply the classical triple constraint. However, the conditions for business success are largely set before this phase, outside the actual project. Also, while the project is being delivered, the eventual benefits are being delayed and so speed of delivery is important.
- **Decision Phase.** This is the phase where we select among the many to decide which projects will go forward and when. Although this phase doesn't consume significant costs or effort, it does often consume significant calendar time. It focuses on cost-benefit, not value delivered.
- **Identification Phase.** This is not a phase with which many organizations are even familiar. There is a point at which we recognize that there is an opportunity. However,

that opportunity may have existed for many months or many years. Just because we didn't see it until now, doesn't mean it didn't exist.

We tend to focus on the delivery phase. That's where our budget lives. The decision and identification phases contain very little budget costs. But they represent significant opportunity costs. However, opportunity costs don't show up on any P&L statements. There are no statements that present us with value that did not show up. The Value Triple Constraint measures both values delivered, and value not delivered that could have been delivered. This is largely ignored yet represents a significant opportunity. To understand how the VTC approaches measurement, we need to understand the major value components in the VTC and how they are related.

Project Value - Measuring the Outcome at the Project Level

The four major components that affect long term value delivery are:

- Realized Value
- Project Cost
- Decision Opportunity Cost
- Identification Opportunity Cost

Let us explore each of these in turn.

Realized Value. This is the actual benefit experienced after implementation. The realized value is delivered, over time, across organizational boundaries. Because of this and other reasons, it is often not tracked for any meaningful period of time. And yet, it is the single most important measure that can tell us how well we are doing overall, across all projects. Why is it important to measure the value delivered across the entire benefit projection period? Business processes have a way of deteriorating. So we need to know, over the entire benefit projection period, what the value delivered was. It is not unlikely that organizations have a tendency to select a "sampling period" that is favourable rather than representative.

Project Cost. This is the familiar budget portion of any project. Under the Value Triple Constraint, it is divided into two separate components:

1. *Delivery Cost.* This is the usual cost component which is reflected in the budget. This represents money spent, whether capital or expense.
2. *Schedule Opportunity Cost.* Under the Triple Constraint we track the schedule in terms of time. In the VTC, we track schedule in terms of its benefit equivalent. This is

both new and different. To convert schedule time into schedule cost, we need a formula. It is calculated as:

$$\text{Schedule Opportunity Cost} = \text{Monthly Net Benefit} \times \text{Schedule Months}$$

For example, a project with a projected monthly net benefit of \$50,000 and expected schedule of 10 months, would have a Schedule Opportunity Cost of \$500,000 (\$50k x 10 months). The Schedule Opportunity Cost provides a better mechanism for choosing among alternative schedule options, because it reflects the time cost of delivery - time is money.

Decision Opportunity Cost. While an organization waits to decide, no benefits can be delivered. And so, there is a real cost to the time it takes to make a decision. The quicker we decide, the quicker we begin to realize benefits.

Identification Opportunity Cost. We may recognize that we have an opportunity today. However, an opportunity begins when the conditions that gave rise to it, came to be. So there is virtually always a gap between the time an opportunity arises and when someone in the organization acknowledges it. That gap has an opportunity cost

Identification and Decision Opportunity Costs reflect our capability with respect to those two functions. In many organizations a focus on those two would result in the delivery of much more value to the organization than would a focus on project delivery skills, which might already be quite high.

If project managers wish to be more successful, then the projects need to be more successful from a business perspective. They need to think outside the project because that's where success begins. A project that will, in the end, deliver very little Realized Benefit is not going to be a business success. Such a project is born handicapped.

Some Uses of Value Triple Constraint

The VTC has these major uses:

1. Quantify the business value of a project
2. Select from alternative schedules.
3. Look for opportunities to deliver more value through speed along the entire opportunity chain.

To reduce risk on a single project, we should continuously update the Value Profile, not just the costs. This would include:

1. Projected Realized Value
2. Projected Delivery Cost
3. Projected Schedule Opportunity Cost

By tracking and projecting all three, we could detect some important things that we don't currently manage. For example, if the projected Realized Value begins to decline and the Delivery Cost begins to increase, we know there is the risk that the project will be cancelled. And perhaps it should. Also, if the Realized Value after completion shows a tendency to be less than predicted then perhaps projects are being oversold.

On the other hand, when the projected Realized Value increases, then our projected Schedule Opportunity Cost will also increase. This should tell us to revisit the schedule because time has become more valuable.

What about scope management? When an increase in scope results in an increase in the schedule, we should take the additional Schedule Opportunity Cost into consideration. For example, an increase in scope may result in an increase in the Realized Value of \$100,000, an increase in cost of only \$30,000, and an additional two months of schedule.

Without looking at the schedule impact this seems like a simple decision. But if the benefit was \$50,000 per month, then we would incur an additional \$100,000 (2 months) of Schedule Opportunity Cost in addition to the \$30,000 Delivery Cost. This changes the equation. The organization would be paying \$130,000 of value to gain only \$100,000. Suddenly it doesn't make sense any more.

Another example is a change request which is in budget but does not increase the projected realized value. This should be declined because the net Value would decrease and should be declined. Today, the tendency is to accept a change which is in budget, even if it adds no value. Projects exist to capitalize on opportunities. Therefore, we need to measure lost opportunity just as much as measuring adherence to an estimate, which may not even be correct.

Enterprise Value - Measuring the Outcome at the Enterprise Level

How do we determine what the optimal sequence is for projects? Look at the following example. We have two projects requiring the same resources. So which do we do first?

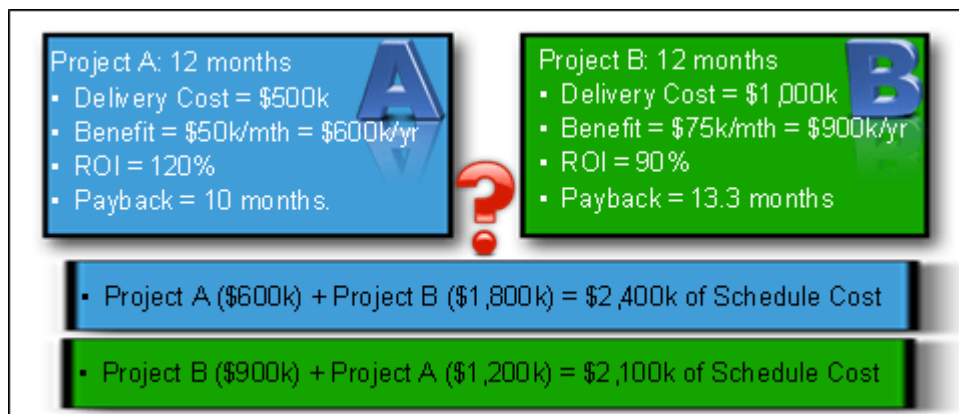


Exhibit 2 - Comparing ROIs

From an ROI perspective, Project A appears more attractive and so we might be tempted to do it first. But, by including the schedule cost, we can compare the two alternatives.

The total Realized Value and the total Delivery Cost are the same regardless of order. However, the total Schedule Cost is different for each alternative.

If we do A first, then the Schedule Costs will be:

- Schedule cost for A is 12 months at \$50,000 per month or \$600,000
- Schedule cost for B is 12 months waiting for A to finish, plus 12 months to complete B for a total of 24 months. Each month is worth \$75,000 (benefit from B) for a total of \$1.8 million.
- Total Schedule Cost for this alternative is \$600,000 + \$1.8million = \$2.4 million

If we do B first, then the Schedule Costs will be:

- Schedule cost for B is 12 months at \$75,000 per month or \$900,000
- Schedule cost for A is 12 months waiting for B to finish, plus 12 months to complete A for a total of 24 months. Each month is worth \$50,000 (benefit from A) for a total of \$1.2 million.
- Total Schedule Cost for this alternative is \$900,000 + \$1.2 million = \$2.1 million

Clearly option B is has the least opportunity cost and, therefore, the highest value, which may not be the intuitive choice.

Program, Project, Portfolio and PMO

How do projects, programs and portfolios relate? First, we begin with a quantifiable business opportunity, and designate a program for it. Then, as we determine all the projects required to

deliver to the business opportunity, they become part of the program. Beginning at the opportunity/program level provides us with a way to pull necessary projects into the measurable program, rather than trying to group projects after the fact. The VTC can be used to determine the best way to organize and schedule projects within the program and also helps determine sequencing for programs. Once we apply the VTC to a program, we can determine what criteria we wish to use to develop portfolios.

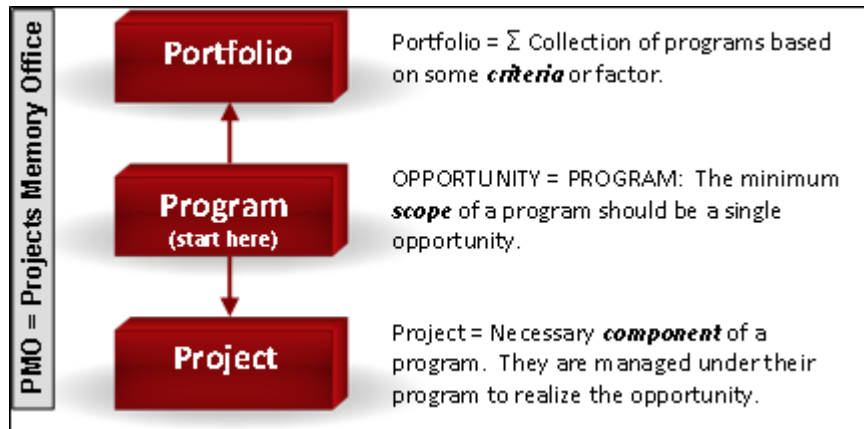


Exhibit 3 - How Projects, Programs and Portfolios Relate

Summary

The Value Triple Constraint moves the focus from the project manager to project

management as a whole. It requires the business to take responsibility for establishing and confirming the benefit and focuses attention on the opportunities of identification and decision in addition to delivery. It requires the quantification and validation of actual project benefits. This will discourage any practice of overstating benefits to get approval and then abandoning that metric. The proposed VTC model gives us a better way to evaluate project success. It also allows us to focus our attention on where the true opportunities lie. If most of the value lost is in the identification and selection, then there may be more opportunity in improving how we identify opportunities and how quickly we make decisions rather than improving our delivery capability.

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KT0205 THE ROLE OF THE PROJECT MANAGER

A project manager is a person who has the overall responsibility for the successful initiation, planning, design, execution, monitoring, controlling and closure of a project. Construction, petrochemical, architecture, information technology and many different industries that produce products and services use this job title.

The project manager must have a combination of skills including an ability to ask penetrating questions, detect unstated assumptions and resolve conflicts, as well as more general management skills.

Key among a project manager's duties is the recognition that risk directly impacts the likelihood of success and that this risk must be both formally and informally measured throughout the lifetime of a project.

Risks arise from uncertainty, and the successful project manager is the one who focuses on this as their primary concern. Most of the issues that impact a project result in one way or another from risk. A good project manager can lessen risk significantly, often by adhering to a policy of open communication, ensuring every significant participant has an opportunity to express opinions and concerns.

A project manager is a person who is responsible for making decisions, both large and small. The project manager should make sure they control risk and minimise uncertainty. Every decision the project manager makes must directly benefit their project.

Project managers use project management software, such as Microsoft Project, to organise their tasks and workforce. These software packages allow project managers to produce reports and charts in a few minutes, compared with the several hours it can take if they do it by hand.

Roles and Responsibilities

The role of the project manager encompasses many activities including:

- Planning and Defining Scope

- Activity Planning and Sequencing
- Resource Planning
- Developing Schedules
- Time Estimating
- Cost Estimating
- Developing a Budget
- Documentation
- Creating Charts and Schedules
- Risk Analysis
- Managing Risks and Issues
- Monitoring and Reporting Progress
- Team Leadership
- Strategic Influencing
- Business Partnering
- Working with Vendors
- Scalability, Interoperability and Portability Analysis
- Controlling Quality
- Benefits Realisation

Finally, senior management must give a project manager support and authority if he or she is going to be successful.



1. Provide explanations or definitions for key project management concepts
2. Demonstrate a comprehensive understanding of the relationship between project management concepts and other business disciplines can be demonstrated [15]

KT0206 THE IMPACT OF THE PROJECT ENVIRONMENT ON PROJECT MANAGEMENT OPTIONS

Environmental factors can have an impact on project management even in environments that are relatively stable. From access to capital, to access to technology, to access to people, projects will succeed or fail based on the project leaders ability to make maximum use of available resources. In addition, unanticipated changes in the environment can cause even the most well-managed and smoothly proceeding project to lose momentum.

Access to Capital

There are few projects that don't require the access to capital--money to purchase the tools, equipment and raw materials necessary to move the project forward and ensure a successful completion. Access to capital can be an environmental factor that can impact project management. Initially, if the project is not well scoped so that all of the capital requirements are identified and bids attained, unpleasant surprises could occur at a later stage. During a project changes may occur in the environment in terms of access to--or pricing of--the materials needed to complete the project.

Access to People

All projects require people, but people are not always readily available to contribute to or complete projects. Sometimes the issue is related to capacity, as there are simply not enough people to get a job done. Other times, the issue is related to ability, which can be not enough of the right people to complete a project. Environmental factors can affect access to people to complete projects as well. Certain types of skilled workers or specialists may be in short supply, for instance. Or they may not be available in the geographic area where the project is being managed

Access to Technology

In many cases technology can streamline the process of project management. However, access to technology may be limited or the necessary technology may be expensive or not compatible with existing technology or equipment. In addition, even when technology is available, training may become an issue and can create delays and added expense for projects.

Unanticipated Environmental Changes

Regardless of how effective a project manager is or how carefully a project is planned, unanticipated environmental changes (disasters or economic shifts) can affect the project at any stage of its implementation. To the extent that they can, project leaders need to be alert to the potential for unexpected environmental impacts and have contingency plans in place to ensure the least possible negative impact to the project's success.

KT0207 PROJECT LIFE CYCLE.

There are five phases of project management. These phases are as follows:

- Initiation
- Planning
- Execution
- Performance monitoring
- Closure

Phase 1: Project initiation

This is where a project starts. The purpose of this phase is to define the project in a larger sense. Here, the project manager starts with a kick-off meeting with a client(s) to understand the goals and objectives and most importantly, their expectations from it. It's essential that he goes through all the details and ask as many questions as possible to develop a better understanding of the project.

In the initiation phase, they answer the following questions :

- Why this project?
- Is the project feasible?
- Who are going to be potential partners in the project?
- What are the boundaries of the project?
- How does the end-result look like?

Once the project is given a green light, the project manager creates a project initiation document (PID) where he outlines the purpose and requirements of a project.

Tip: Always include at least one developer in a meeting so that he can answer and provide guidance while dealing with the more technical questions related to a project.

Phase 2: Project planning

Once you've defined all the objectives, it's time to develop a roadmap for everyone to follow. It involves setting goals and describing job-responsibilities to the project members. Many project managers set S.M.A.R.T goals to make the process achievable.

S.M.A.R.T goals – It is a popular goal-setting process that helps you set goals which are ambitious yet doable. If you break the word, every alphabet signifies a quality that can help you set well-crafted goals.

- **Specific:** To set specific goals and have an answer for every what, who, where, which, when, and how.
- **Measurable:** To define criteria that can be used to measure the success of a goal.
- **Attainable:** To identify what it will take to achieve those goals.
- **Realistic:** To set goals that are actually doable and achievable in the given time.
- **Time-bound:** To create a timeframe to achieve every goal.



Usually, this is the most challenging phase of project management as project managers need to take care of the preconditions, functional requirements, operational requirements, and design limitations. Moreover, this phase also involves identifying the work, preparing the schedule, and estimating the cost and is often referred to as risk management.

Tip: While creating a schedule, make sure it doesn't take longer than 10 days. Be sure every project member is sure of their responsibilities and accountable for that.

Phase 3: Project execution

This is the phase when the project starts taking its shape. As a lot of things are happening while executing a project, maybe that's why it's referred to as meat of the project. The programmers are working on coding, web designers with the graphic material, status and performance reports are made by project managers. This phase is also called implementation phase.

Here are some of the important things that are being taken care of in the implementation phase.



- **Report progress:** Regular updates and status reports are required when the project is in the execution stage. It's important to provide the required information in the right format and identify the issues as well. These resources will prove beneficial in the times of a crisis.
- **Hold weekly meetings:** Weekly meetings can save your team deviating from the important activities. Clear agendas should be set for the meeting so that no time is wasted as team members are already well-aware what the meeting is for and the overall productivity doesn't get affected.

- **Manage problems:** As the project is in motion, problems are bound to happen. You can face issues like quality, time management, the decline in a team's morale that can threaten the success of a project.

The main objective is to achieve results that meet the requirements and were agreed-upon initially.

Tip: Consider using a project management software like ProofHub where you can create plans, assign tasks, communicate and collaborate with other project members and keep everyone in the loop regarding the progress of tasks.

Phase 4: Project performance

This phase is about measuring project progress and overall performance to see if everything aligns with the project management plan or not. Different project managers use different techniques to measure performance. Some use a project management software while others use key performance indicators (KPIs) to determine if it is on track or not.

Some of the common KPIs to measure project performance are:

- **Project objectives:** If a project stays on schedule and desired budget, it's an indication that it will meet the expectations of the decision-makers and clients.
- **Quality deliverables:** This helps to determine if deliverables are being met or not.
- **Cost tracking:** Project managers need to be accountable for the effort and cost of resources.
- **Project performance:** Any changes made in the project due to scope-creep or other unforeseen circumstances are taken into account while measuring the overall progress of the project.

Tip: After every phase, review, track progress, and if required, make adjustments to the project plan to deliver it in the best possible manner.

Phase 5: Project closure.

This phase represents the completed project. It is the last phase of project management that is also called post-mortem or follow-up phase. Generally, once the project is completed and delivered, the effective project managers set aside some time to identify the strengths, valuable team members are recognized, what went wrong, how it can be rectified, and what

are the takeaways from the project. Most of the times, project managers neglect this phase, considering it unnecessary. However, if we take out some time to analyze the strengths and weaknesses, it will be of help to approach the future projects with more enthusiasm and dedication.

How a project manager closes the project?

Project performance is evaluated

If there are elements that went really well or something didn't go as planned, it is the time to bring them up. The project manager brings out the performance reports and evaluates how well the project has performed.

Closing the project with a team meeting

The final team meeting is a great way to reflect how well the project went and share the takeaways with the team members so that the future projects can be handled in a better way.

And, a project is finally closed!

Tip: Using a cloud-based software will help you collect and save all the documents in one place throughout the life of a project.

KT0208 PROJECT STAKEHOLDERS AND GOVERNANCE

Stakeholders

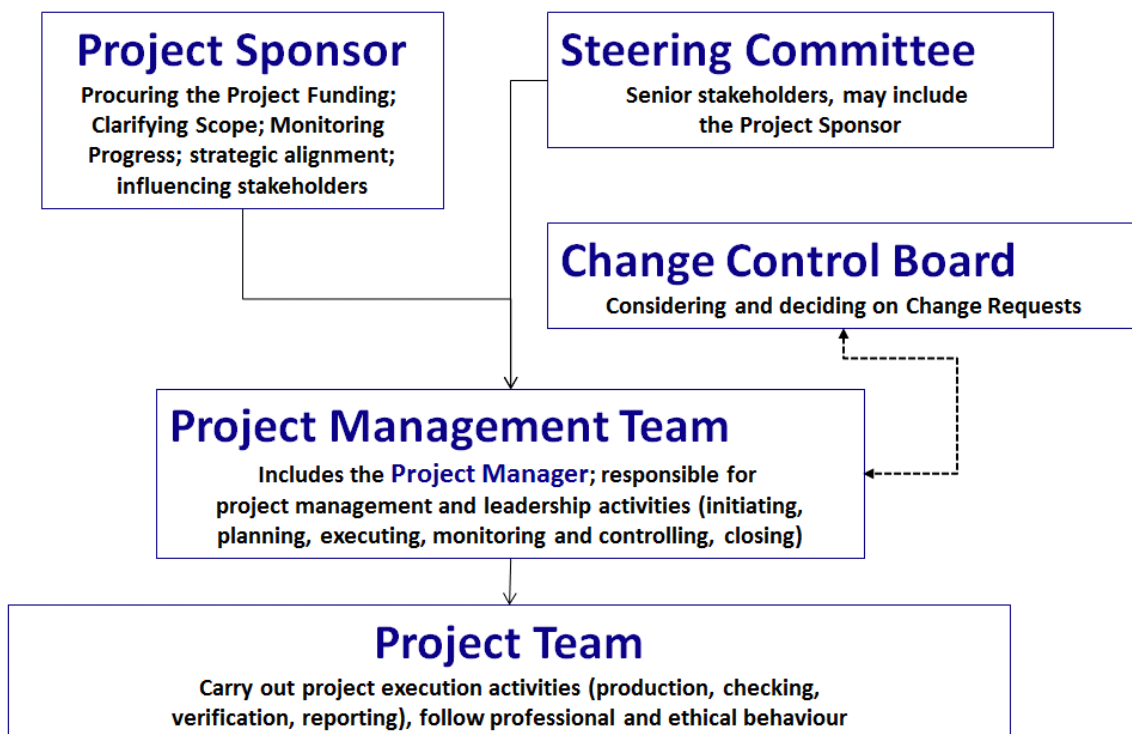
Stakeholders are people or bodies:

- Who are **actively involved** in the project?
- Who have **an interest** in the project or change?
- Whose **interests may be positively or negatively influenced** by the performance or completion of the project
- Stand to lose or gain from the project

Stakeholders Definition: *"An individual, group, or organisation who may affect, or be affected by, or perceive itself to be affected by, a decision, activity or outcome of a project"*

The definitions shown above in italics are taken from the Glossary of the Project Management Institute, A Guide to the Project Management Body of Knowledge, (PMBOK® Guide) – Fifth Edition, Project Management Institute Inc., 2013 ©2007 – Body Temple

In A Large Project



The Project Sponsor

The person or group that:

- provides the financial resources, in cash or in kind, for the project.
- champions the project
- plays a significant role in the development of the initial scope and charter

They have:

- Power
- Authority
- Stakeholder Interfaces
- Influence
- Budget

Governance

Strategic leadership:

- Establishing the strategic direction(s)
- Designing and implementing organisational policies
- Structuring systems, processes and procedures for consistent application
- Setting up the required culture (desired behaviours and norms)
- Communicating purpose, goals, expectations and actions (strategic planning - >Business Plan)
- Using these systems, processes and procedures, the project can contribute to Business Value

Project Governance

Focuses on:

- Strategic Alignment
- Structured Authority Levels and decision making
- Following Processes and Procedures
- Communication standards, processes and procedures
- Guidelines to align the project objectives with the strategic direction and targets
- Processes for stage gate/phase reviews, project reviews, identifying lessons, change and configuration control, decision making

Project Teams

PM may be internal (from the business) or external (from the supplier)

PM may be fulfilling one part of the project (is a supplier team manager) and not the PM for the whole project

Whose project is it?

- The Business
- Or the Supplier delivering one part of the product, service or result

May be dedicated full time or part time

KT0209 THE PROJECT PROCESS GROUPS AND KNOWLEDGE AREAS

How the PMBOK® got its name is largely related to how it categorizes key aspects of a project, which are termed as "knowledge areas." There are 10 project management knowledge areas covered by the PMBOK Guide. The PMBOK Guide identifies 47 processes of project management that are instrumental to project success.

What is a "Process" - 47 processes of project management?

The PMBOK Guide defines a process as "a set of interrelated actions and activities performed to achieve a specified set of products, results, or services." which is simply a way of transforming an input into an output using proven tools and techniques that can help drive progress from start to finish. Processes serves as a roadmap for keeping the project going in the right direction. Good processes are based on sound principles and proven practices that is extremely important for ensuring a project's success. These processes can help minimize confusion and uncertainty among the project manager and the project stakeholders.

What is PMBOK Process Group?

Every project needs the 5 Process Groups - Initiating, Planning, Executing, Monitoring & Controlling and Closing. Process Groups bundle together processes that often operate around the same time on a project or with similar input and outputs. Once you've got comfortable with them they are actually a very logical way of grouping together the things you have to do.

What is PMBOK Knowledge Areas?

The overarching piece of our matrix are the Knowledge Areas. Each Knowledge Area is made up of a set of processes, each with inputs, tools and techniques, and outputs. These processes, together, accomplish proven project management functions and drive project success. Thus, the Knowledge Areas as shown in Figure 2, are formed by grouping the 47 processes of project management into specialized and focused areas. Knowledge Areas also assume specific skills and experience in order to accomplish project goals.

The 10 Knowledge Areas

1. **Integration Management** - is the processes required to ensure that the various elements of the project are properly coordinated.
2. **Scope Management** - the processes required to ensure that the project includes all the work required, and only the work required, to complete the project successfully.
3. **Time Management** - the processes required to ensure the timely completion of the project.
4. **Cost Management** - the processes required to ensure the project is completed within the approved budget.
5. **Quality Management** - the processes required to ensure the project will satisfy the needs for which it was undertaken.
6. **Human Resource Management** - the processes required to make the most effective use of people involved with the project.
7. **Communications Management** - the processes required to ensure the timely and appropriate generation, collection, dissemination, storage, and ultimate disposition of project knowledge.
8. **Risk Management** - the processes concerned with identifying, analyzing, and responding to project risk.
9. **Procurement Management** - the processes required to acquire the goods and services from outside the performing organization.
10. **Stakeholder Management** - the processes that identifies and develops relationships with those people and organizations which are impacted by the project and which influence or determine how the team works.

PMBOK 5 - Process Groups and Knowledge Areas Matrix

The Matrix shows the Knowledge Areas down the side, the Process Groups along the top and then maps the difference processes in the relevant boxes where those two axes cross. For example, at the junction of Project Integration Management and the Initiating Process Group you have the process to 'Develop Project Charter'.

KM-01-KT03: PROJECT MANAGEMENT PROCESSES



OUTCOMES

On completion of this section you will be able to understand project management processes



ASSESSMENT CRITERIA

- **KT0301** Initiating
- **KT0302** Planning
- **KT0303** Executing
- **KT0304** Monitoring and controlling
- **KT0305** Closing

KT0301 INITIATING

Projects are the cornerstone of all business activities in small companies. Firms must complete various projects to achieve their financial goals and obtain information. Business owners and managers have only one attempt executing a project successfully. Hence, the process must be carefully thought out and planned. The initiation process in project management includes the necessary steps to getting the project launched. There are several key phases of the project management initiation process.

Objectives

The first phase of the project management initiation process is establishing an objective. This is when managers meet and decide what information they need from the project. A small company may have multiple objectives for a project. For example, a marketing research manager may want to better understand what makes consumers buy her company's products. She may also want to determine which demographic groups of customers spend the most money. Demographics pertain to consumers' incomes, genders or age groups. Objectives are essentially the outcomes businesses wish to obtain from completing projects. A manager must have a well-defined scope for a project to be successful, according to Reference for Business. In other words, all the objectives must be clearly defined.

Determining the Approach

A small company must determine its approach to a specific project to bring it to fruition, which is part of the initiation process. The approach includes listing the methods and tasks required for the project. For example, the marketing research manager may decide that conducting phone surveys is the best method for better understanding the needs of customers. She may also determine which questions to include on the questionnaire. The next step would be determining all the steps or tasks involved in conducting the research: Hiring a marketing research agency, managing the survey process, analyzing the results and writing the final report. The project may end with several presentations, one for middle management and another for top management.

Scheduling and Budgeting

A time frame must be established for completing all tasks, as most projects have deadlines. Managers must estimate the amount of time it takes to complete individual tasks. For example, the research manager, with the help of the research agency, may estimate that the phone surveys will take two weeks. She may need another week to analyze the results and three days to write the report. Managers usually have specific budgets for projects. Therefore, they need to stay within certain parameters. Hence, most managers request proposals from outside vendors before selecting them to execute portions of the project. Proposals outline the various tasks and associated costs. Several vendors may be considered for the project. Managers usually select vendors that can supply the most information at the cheapest costs.

Delegating the Work

Managers must delegate work during the project initiation process before any work commences. An advertising manager may be developing a new direct mail advertising campaign. She may need to assign a copywriter to create the sales letter, brochure and order form. A marketing analyst may be needed to track the results of the direct mail advertising. And the advertising manager may use a local vendor to print all the written materials. Delegation of work is usually the last phase of the initiation process in project management. The project kickoff ensues immediately after all project initiation.

KT0302 PLANNING

The key to a successful project is in the planning. Creating a project plan is the first thing you should do when undertaking any project.

Often project planning is ignored in favor of getting on with the work. However, many people fail to realise the value of a project plan for saving time, money and many problems.

This guide looks at a simple, practical approach to project planning. On completion of this guide, you should have a sound project planning approach that you can use for future projects.

Step 1: Project Goals

A project is successful when it has met the needs of the stakeholders. A stakeholder is anybody directly, or indirectly impacted by the project.

As a first step, it is important to identify the stakeholders in your project. It is not always easy to determine the stakeholders of a project, particularly those impacted indirectly. Examples of stakeholders are:

- The project sponsors
- The customer who receives the deliverables
- The users of the project output
- The project manager and project team

Once you understand who the stakeholders are, the next step is to find out their needs. The best way to do this is by conducting stakeholder interviews. Take time during the interviews to draw out the requirements that create real benefits. Sometimes stakeholders will talk about needs that aren't relevant and don't deliver benefits. These can be recorded and set as a low priority.

The next step, once you have conducted all the interviews and have a comprehensive list of needs is to prioritise them. From the prioritised list, create a set of easily measurable goals. A

good technique for doing this is to review them against the SMART principle. This way, the achievement of the goal will be easy to identify.

Once you have established a clear set of goals, they should be recorded in the project plan. It can be useful also to include the needs and expectations of your stakeholders.

Now you have completed the most difficult part of the planning process; it's time to move on and look at the project deliverables.

Step 2: Project Deliverables

Using the goals, you have defined in step 1, create a list of things the project needs to deliver to meet those goals. Specify when and how to deliver each item.

Add the deliverables to the project plan with an estimated delivery date. You will establish more accurate delivery dates during the scheduling phase, which is next.

Step 3: Project Schedule

Create a list of tasks that need to be carried out for each deliverable identified in step 2. For each task determine the following:

- The amount of effort (hours or days) required for completing the task
- The resource who will carry out the task

Once you have established the amount of effort for each task, you can work out the effort required for each deliverable, and an accurate delivery date. Update your deliverables section with the more precise delivery dates.

At this point in the planning, you could choose to use a software package such as Microsoft Project to create your project schedule. Alternatively, use one of the many free templates available. Input all the deliverables, tasks, durations and the resources who will complete each task.

A common problem discovered at this point is when you have an imposed delivery deadline from the sponsor that is not realistic based on your estimates. If you discover this is the case, you must contact the sponsor immediately. The options you have in this situation are:

- Renegotiate the deadline (project delay)
- Employ additional resources (increased cost)
- Reduce the scope of the project (less delivered)

Use the project schedule to justify pursuing one of these options.

Step 4: Supporting Plans

This section deals with the plans you should create as part of the planning process. These can be included directly in the plan.

Human Resource Plan

Identify, by name, the individuals and organisations with a leading role in the project. For each, describe their roles and responsibilities on the project.

Next, specify the number and type of people needed to carry out the project. For each resource detail start dates, the estimated duration and the method you will use for obtaining them.

Create a single sheet containing this information.

Communications Plan

Create a document showing who is to be kept informed about the project and how they will receive the information. The most common mechanism is a weekly or monthly status report, describing how the project is performing, milestones achieved and the work you've planned for the next period.

Risk Management Plan

Risk management is an important part of project management. Although often overlooked, it is important to identify as many risks to your project as possible and be prepared if something bad happens.

Here are some examples of common project risks:

- Time and cost estimate too optimistic
- Customer review and feedback cycle too slow
- Unexpected budget cuts
- Unclear roles and responsibilities
- No stakeholder input obtained
- Not clearly understanding stakeholder needs
- Stakeholders changing requirements after the project has started
- Stakeholders adding new requirements after the project has started

- Poor communication resulting in misunderstandings, quality problems and rework
- Lack of resource commitment

Risks can be tracked using a simple risk log. Add each risk you have identified to your risk log; write down what you will do in the event it occurs, and what you will do to prevent it from happening. Review your risk log on a regular basis, adding new risks as they occur during the life of the project. Remember, if you ignore risks, they don't go away.

KT0303 EXECUTING

When it comes to the execution phase of your project there are several ways of succeeding in terms of developing and completing deliverables. The third phase of the project life cycle is one of the most crucial of the project phases, since it's the phase where you will construct your deliverables and present them to your customer. This is usually the longest phase of the project life cycle and typically the most demanding.



It is also where project management differs most from other similar areas, such as event planning. Unlike that field, which involves too much uncertainty, the execution phase of project management consists of following a set of preordained steps that will assist your team in the completion of all deliverables. The key thought to keep in mind here is that you will be on track towards a successful completion, as long as your team works effectively and adheres to the project plan. If that sounds daunting, fear not, here are few suggestions on the best practices for the execution phase of project management.

The Executing Process Group

The goal of the Executing Process Group is to evaluate processes, analyses, plans and procedures in order to complete the project in accordance with project specifications as outlined in the master project plan. One of the most important areas to pay attention to here is

the quality of all deliverables. Both the project manager and the project team will manage the contractors and all necessary resources to ensure that the project is completed in line with the agreed upon specifications. This involves the consistent monitoring of potential risks, schedules, project status, quality assurance and potential requirements associated with the project.

Quality Assurance & Procurements

The Quality Assurance Management process involves auditing and monitoring all requirements involved with the project. The goal is to ensure that all standards are met while the project is being executed. Some of the most common occurrences during this process are risk management, an assessment of activities to ensure that they are in line with the overall project goal, and checking in with both sellers and those supplying the tools needed to complete the project.

This Procurement process involves narrowing down a specific seller, settling on a contract, and signing an agreement. To do so, one needs to assess whether they want to make or buy, consider the criteria involved in source selection, understand the criteria of their seller, and finalize a statement of work.

Managing Stakeholders

This part of the execution phase involves managing the expectations of your stakeholders, including their needs, any issues they may have and answering all questions to ensure their fundamental understanding of the process. The primary components of this process are change requests and the issue log. When managing stakeholders, it's a good idea to know and understand what your stakeholders need to know about your project. Otherwise, you're wasting your time—and theirs.

Crucial Areas

As demonstrated above, the project management execution phase is comprised of several smaller processes. Each of these processes plays its own role in completing the project in accordance with the desired outcome. However, it is important to understand that your overall plans for the project may change depending on a series of variables associated with change requests and issue logs. This speaks to the overall dynamism of the process, as an issue in one particular area can trigger issues in another, and so on.

KT0304 MONITORING AND CONTROLLING.

According to the Project Management Body of Knowledge (PMBOK), *“the Monitoring and Control Process Group consists of those processes performed to observe project execution so that potential problems can be identified in a timely manner and corrective action can be taken, when necessary, to control the execution of the project.”*

Project Monitoring and Control activities take place in parallel with Project Execution Process Group activities so that, while the project work is being executed, the project is being monitored and controlled by implementing the appropriate level of oversight and corrective action.

The project is observed and measured regularly against the project plan to ensure that the project is within acceptable variances of cost, schedule and scope, and that risks and issues are continually monitored and corrected as needed.

The main purpose of monitoring and controlling activities is to be proactive in finding issues ahead of time and taking corrective action. Corrective action can require revisiting Planning Process Group and updating the Project Management Plan as needed with the ultimate goal of bringing the project back in line with project objectives and constraints and improving future execution to avoid repeating the same issues.

Monitoring and Control Processes

Monitoring and Control processes include:

1. Monitoring and Controlling Project Work

The Monitoring and Controlling Project Work process collects, measures and disseminates performance information, and assesses measures and trends to forecast potential items requiring corrective action. This includes monitoring project risks and ensuring that they are being managed according to the project's risk plans.

Outputs include:

1. Recommended corrective actions

2. Recommended preventive actions
3. Forecasts
4. Recommended defect repair
5. Requested changes

2. Integrated Change Control

The Integrated Change Control process ensures that changes as a result of project corrective actions and other controlling factors are managed across the project knowledge areas. *Integrated change control takes place throughout the project, from project initiation through project closure.*

Outputs include:

1. Approved change requests
2. Rejected change requests
3. Updates to the Project Management Plan
4. Updates to the Project Scope Statement (and requirements)
5. Approved corrective and preventive actions
6. Approved defect repair
7. Validated defect repair
8. Deliverables

3. Scope Verification

The scope verification process ensures that project deliverables are formally accepted.

Outputs include:

1. Accepted deliverables
2. Requested changes
3. Recommended corrective actions

4. Scope Control

The Scope Control process ensures that changes to project scope are controlled.

Outputs include:

1. Updates to the Project Scope Statement and Scope baseline (this includes requirements)

2. Updates to the Work Breakdown Structure (WBS) and the WBS Dictionary
3. Requested changes
4. Recommended corrective actions
5. Updates to organizational process assets
6. Updates to the Project Management Plan

5. Schedule Control

The Schedule Control process monitors and controls changes to the project schedule.

Outputs include:

1. Updates to the schedule model data and baseline
2. Performance measurements
3. Requested changes
4. Recommended corrective actions
5. Updates to organizational process assets
6. Activity list and activity attribute updates
7. Updates to the Project Management Plan

6. Cost Control

The Cost Control process monitors and controls costs and changes to the project budget.

Outputs include:

1. Cost estimate updates
2. Cost baseline updates
3. Performance measurements
4. Forecasted completion
5. Requested changes
6. Recommended corrective actions
7. Updates to organizational process assets
8. Updates to the Project Management Plan

7. Performing Quality Control

The quality control performance process measures specific project results to determine whether the project is meeting quality standards.

Outputs include:

1. Quality control measurements
2. Validated defect repair
3. Updates to the quality baseline
4. Recommended corrective and preventive actions
5. Requested changes
6. Recommended defect repair
7. Updates to organizational process assets
8. Validated deliverables
9. Updates to the Project Management Plan

8. Managing the Project Team

This process tracks team member performance, provides feedback, resolves issues and coordinates changes to maintain and improve project performance.

Outputs include:

1. Requested changes
2. Recommended corrective and preventive actions
3. Updates to organizational process assets
4. Updates to the Project Management Plan

9. Performance Reporting

The Performance Reporting process collects and distributes performance information — including status reports, progress reports and forecasts.

Outputs include:

1. Performance reports
2. Forecasts
3. Requested changes
4. Recommended corrective actions
5. Updates to organizational process assets

10. Managing Stakeholders

This process manages stakeholder communications and works with stakeholders to ensure that requirements are satisfied and issues are proactively resolved.

Outputs include:

1. Resolved issues
2. Approved change requests
3. Approved corrective actions
4. Updates to organizational process assets
5. Updates to the Project Management Plan



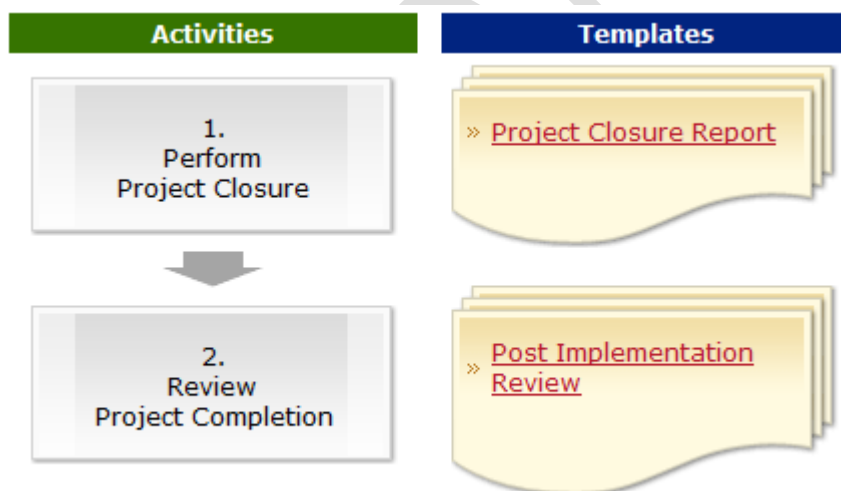
KT0305 CLOSING

The **Project Closure Phase** is the fourth and last phase in the *project life cycle*. In this phase, you will formally close your project and then report its overall level of success to your sponsor.

Project Closure involves handing over the deliverables to your customer, passing the documentation to the business, cancelling supplier contracts, releasing staff and equipment, and informing stakeholders of the closure of the project.

After the project has been closed, a Post Implementation Review is completed to determine the project's success and identify the lessons learned.

The activities taken to close a project and the templates which help you to complete each activity, are shown in the following diagram. Click the links below to learn how these templates can help you to close projects



The first step taken when closing a project is to create a *Project Closure Report*. It is extremely important that you list every activity required to close the project within this Project Closure report, to ensure that project closure is completed smoothly and efficiently. Once the report has been approved by your sponsor, the closure activities stated in the report are actioned.

Between one and three months after the project has been closed and the business has begun to experience the benefits provided by the project, you need to complete a *Post*

Implementation Review. This review allows the business to identify the level of success of the project and list any lessons learned for future projects.

This **Project Closure Template suite** helps you to complete a *Project Closure Report* and *Post Implementation Review*, by providing you with a set of comprehensive document templates. These templates help you to perform project closure quickly and efficiently, saving you time and effort.

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KM-01-KT04: BUSINESS ETHICS



OUTCOMES

On completion of this section you will be able to demonstrate an understanding of the business ethics.



ASSESSMENT CRITERIA

- **KT0401** Codes of conduct
- **KT0402** Values and ethics
- **KT0403** Consumer rights and protection
- **KT0404** Client services
- **KT0405** Supplier relations, tenders and procurement
- **KT0406** Stakeholder expectations

KT0401 CODES OF CONDUCT

The code of business conduct is also referred to as the code of ethics, depending on the company. It is a set of principles designed to guide workers to conduct themselves with honesty and integrity in all actions representing the company. Large companies such as Coca-Cola, have two code of business conduct rules; one for global employees and one for non-employee directors, who still represent the company. Think about your company's mission and how you want the public to perceive you and the business.

Value-Based Code

Think about the values you want to permeate in all aspects of your company. The value-based code of ethics sets the tone for how things are done. For example, a plumbing company might require employees to wear a uniform to all house calls, which demonstrates professionalism. They might further require courteous interactions, and to use specific language when speaking with clients.

Another company might focus on reducing a carbon-footprint and might require office workers to move to digital environments.

These are just a couple of examples of how to integrate values into a code of business conduct. Because these are part of a company mission and are not regulatory, it is up to management to make certain that employees are following the protocol.

Compliance-Based Code

A compliance-based code of ethics requires that employees follow the rules and regulations set forth by the state and the industry you're in. The entire mortgage industry was transformed after the financial crash in 2008; a major part of the transformation had to do with a compliance-based code of ethics, and to make certain that people really could afford the loans they were getting. Similarly, the investment industry has a "know your customer" rule, which is a regulatory requirement that is weaved into the company's code of business conduct.

Failure to follow compliance-based code of business conduct rules often results in legal action, on top of in-house disciplinary action. As the business owner, when someone doesn't follow the legal rules, such as protecting client data or properly handling money, the recourse

to their actions can harm your company. The failure to follow a legal rule such as described above isn't the same as employees who don't follow a regulation to wear a uniform to work.

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KT0402 VALUES AND ETHICS

Values and ethics in simple words mean principle or code of conduct that govern transactions; in this case business transaction. These ethics are meant to analyse problems that come up in day to day course of business operations. Apart from this it also applies to individuals who work in organisations, their conduct and to the organisations as a whole.

We live in an era of cut throat competition and competition breeds enmity. This enmity reflects in business operations, code of conduct. Business houses with deeper pockets crush small operators and markets are monopolised. In such a scenario certain standards are required to govern how organizations go about their business operations, these standards are called ethics.

Business ethics is a wider term that includes many other sub ethics that are relevant to the respective field. For example, there is marketing ethics for marketing, ethics in HR for Human resource department and the like. Business ethics in itself is a part of applied ethics; the latter takes care of ethical questions in the technical, social, legal and business ethics.

Origin of Business Ethics

When we trace the origin of business ethics we start with a period where profit maximization was seen as the only purpose of existence for a business. There was no consideration whatsoever for non-economic values, be it the people who worked with organisations or the society that allowed the business to flourish. It was only in late 1980's and 1990's that both intelligentsia and the academics as well as the corporate began to show interest in the same.

Nowadays almost all organisations lay due emphasis on their responsibilities towards the society and the nature and they call it by different names like corporate social responsibility, corporate governance or social responsibility charter. In India Maruti Suzuki, for example, owned the responsibility of maintain a large number of parks and ensuring greenery. Hindustan unilever, similarly started the e-shakti initiative for women in rural villages.

Globally also many corporations have bred philanthropists who have contributed compassion, love for poor and unprivileged. Bill gates of Microsoft and Warren Buffet of Berkshire Hathaway are known for their philanthropic contributions across globe.

Many organisations, for example, IBM as part of their corporate social responsibility have taken up the initiative of going green, towards contributing to environmental protection. It is not that business did not function before the advent of business ethics; but there is a regulation of kinds now that ensures business and organisations contribute to the society and its wellbeing.

Nowadays business ethics determines the fundamental purpose of existence of a company in many organisations. There is an ensuing battle between various groups, for example between those who consider profit or shareholder wealth maximisation as the main aim of the company and those who consider value creation as main purpose of the organisation.

The former argue that if an organisations main objective is to increase the shareholders wealth, then considering the rights or interests of any other group is unethical. The latter, similarly argue that profit maximisation cannot be at the expense of the environment and other groups in the society that contribute to the well being of the business.

Nevertheless, business ethics continues to a debatable topic. Many argue that lots of organisations use it to seek competitive advantage and creating a fair image in the eyes of consumers and other stakeholders. There are advantages also like transparency and accountability.

The Role of Ethics in Project Management

Ethical Issues

There are a number of different components of managing a project. While conducting project management, profit and staff motivation are often paramount. However, a project manager must also remember his obligation to be an ethical, responsible employer, employee and corporate citizen. Some of the ethical situations that one may face in the duration of project management could be the admission of wrongdoing, focus of blame, and hard choices regarding contracts.

Admission of Wrongdoing

Sometimes it is difficult for people to admit that they have done something wrong. This is especially true for a project manager, who may be responsible for a large project and for overseeing a staff. However, ethically, if the project manager is at fault for the unsuccessful venture of project completion, then that project manager must be able to admit this wrong.

Not admitting wrongdoing can greatly damage the team relationship. The unethical practice will also most likely cause the team members you are in charge of to not trust the manager as well.

Focus of Blame

When a project fails, it is so much easier to point the fingers at this person or that person. However, ethically, no person should be singled out for project failure unless it is the project manager. In the end, he or she is the one assigned the ultimate task of ensuring the project is completed. However, there is no "I" in team. Although the project manager is in charge of ensuring the task gets completed, sometimes a task can fail despite the project manager's best efforts. In these cases of project incompleteness or failure, it should be said that the team failed. This is the most ethical outcome in this sense because it points the blame for failure on the team as a whole instead of just one or two people. Therefore, in a nutshell, it is ethically wrong to blame failure to complete a project on any one person.

Hard Choices Regarding Contracts

When working with contracts, there are often many stipulations and requirements between the two parties involved. Sometimes, these stipulations may violate ethical beliefs and values. This is a common ethical issue that arises in areas such as defense contracts for the U.S. military.

For instance, a defense contract may stipulate that members of a project team cannot be of a certain race or origin to qualify to work on a project. Is this ethical or unethical? The answer may be debatable. To some, this is ethical in order to ensure the protection of the country's top secret initiatives and projects. To others, however, this would be an example of discrimination based on race or ethnicity and labeled unethical. Therefore, before signing a contract with these types of stipulations, the company should make sure to ask questions and make sure they are willing to cut the ties with certain people on a project team to replace them with others given the new stipulations.

KT0403 CONSUMER RIGHTS AND PROTECTION

The South African Consumer Protection Act, No 68 of 2008 was signed on 24 April 2009 and the purpose of the Act is to protect the interests of all consumers, ensure accessible, transparent and efficient redress for consumers who are subjected to abuse or exploitation in the marketplace and also to give effect to internationally recognised consumer rights. The Consumer protection Act define a consumer as any person to whom goods and services are marketed, who is a user of the supplier's goods, enters into a transaction with the supplier or service provider of any services and products.

As a consumer you have certain rights and you must know your rights and consumers should be aware that they are entitled to enforce their rights. The consumer protection act and the Bill of Rights allow consumer certain rights and these include the following:

1. Right to privacy.
2. Right to choose your product.
3. Right to fair and honest dealing.
4. Right to disclosure of information.
5. Right to fair and responsible marketing.
6. Right to accountability by suppliers.
7. Right to fair value, good quality and safety.
8. Right to fair, just and reasonable terms and conditions.
9. Right to Equality in the consumer market and protection against discriminatory marketing.

As leaders in the market we would like to explain your rights in more detail and in an understandable manner. We belief that our users are ordinary people that does not specialise in the Consumer Protection Act and should be able to understand the basics of the Act without any Legal Jargon and fancy Latin words.

1) RIGHT TO PRIVACY

Consumers have a right to refuse unwanted direct marketing such as telephone calls, sms's, spam e-mail or letters. Once opted out the supplier is not entitled to continue any unsolicited direct marketing.

2) RIGHT TO CHOOSE YOUR PRODUCT

a) Right to select supplier

As a consumer you have the right to shop around for the best products and services and the most economical prices.

b) Right to renew or cancel a fixed term agreement:

- Consumers may terminate fixed term agreements upon expiry without any changes or penalties.
- If consumers fail to cancel fixed term agreements, the supplier must extend the agreement on a month-to-month basis.
- Consumers are obliged to give suppliers at 20 business day's written notice for the cancellation or a fix term agreement. Suppliers may charge reasonable penalties on early cancellations.

c) right to request pre-authorisation for maintenance and repairs

- Suppliers may not charge for any diagnostic work or inspections to prepare quotations or estimates unless there was a prior agreement.
- You have a right to refuse or preauthorise additional maintenance or repairs.
- Consumers have a right to requests a written quotation prior to executing any repairs or maintenance
- Suppliers are not allowed to charge a consumer for preparing a cost estimate
- Consumers can not be held liable to pay any maintenance or repair, done without the Consumer's prior consent.

d) right to return goods and seek redress for unsatisfactory services

- Right to return goods that could not be examined prior to delivery.
- Consumers may return defective or unsafe goods and request a full refund, provided it is done within a reasonable period.

e) RIGHT TO RETAIN UNSOLICITED GOODS WITHOUT PAYMENT

- Consumers may return unsolicited goods or services at the expense and risk of the suppliers.
- Unsolicited services and goods may be retained after twenty Business days.

f) RIGHT TO CANCEL DIRECT MARKETING CONTRACTS WITHIN THE COOLING-OFF PERIOD

- You are entitled to cancel agreements within the prescribed cooling-off period without incurring penalties of providing reasons for your decision.
- Suppliers must refund within 15 days of receiving the cancellation notice
- All direct marketing transactions must include a cooling off period of at least (5) Business days.

g) RIGHT TO CANCEL ADVANCE RESERVATIONS, BOOKINGS OR ORDERS

- You have the right to cancel any advanced order, bookings or reservation.
- Depending on the nature and circumstances, suppliers are entitled to request a reasonable charge for the cancellation.
- Suppliers are entitled to a reasonable deposit for bookings, orders and reservations.

h) RIGHT TO CHOOSE OR EXAMINE GOODS, EVEN AFTER PURCHASE AND DELIVERY

- Consumers may reject goods if it did not correspond with the examined samples.
- Consumers can refuse items that were on display and request unopened new goods.
- Consumers have a right to examine any item purchased or delivered.
- Suppliers may charge consumers for loss or damage of goods if it resulted from any deliberate action, recklessness or gross negligence of the consumer.

3) RIGHT TO FAIR AND HONEST DEALING

a) RIGHT TO ASSUME THAT SUPPLIERS ARE ENTITLED TO SELL GOODS

- It is a consumer's right to assume that the supplier have the Legal right to sell the products and goods on promotion by the supplier or that the lessor have the authority to lease goods or products.

b) RIGHT TO PROTECTION AGAINST PYRAMID AND RELATED SCHEMES.

Persons are not permitted to join, promote or participate in the following schemes:

- Any fraudulent schemes or scams.
- Chain letter schemes.

- Multiplication schemes offering interest rates of 20% above the Reserve Bank repo rate.
- Pyramid schemes, receiving compensation from recruitment of other participants.

c) RIGHT TO PROTECTION AGAINST FALSE, MISLEADING OR DECEPTIVE REPRESENTATIONS.

- Suppliers are not permitted to provide false, deceptive or misleading representations regarding services and products.
- It is not permitted to use innuendo, ambiguity or exaggeration when referring to products or the benefits thereof.

4) RIGHT TO DISCLOSURE OF INFORMATION

a) Right to information in plain and understandable language.

- Consumers have the right to demand agreement, contracts and other documents in a plain and understanding language.

b) Right to sales records

- Consumers are entitled to invoices and receipts
- Suppliers must include the following in their invoices;
- Supplier's full contract information, business name and VAT
- Name and description of goods
- Transaction date
- Unit price of items
- Quantity of items
- Total price, including TAXES

5) RIGHT TO FAIR AND RESPONSIBLE MARKETING

a) Right to protection in catalogue marketing

NB Catalogue marketing refers to any agreement, initiated by the consumer, by fax, telephone or other means, where the consumer could not properly inspect the goods.

Suppliers must disclose the following:

- Registered name or licence number
- Full address and contact details

- Currency for sales
- Sales records
- Delivery arrangements
- Instructions on lodging a complaint
- Policy regarding refunds, returns, exchange and cancellations.

6) RIGHT TO ACCOUNTABILITY BY SUPPLIERS

a) You have the following rights in any lay-Bye agreements

- Full refund of money paid plus interest
- Keep your deposits in an interest bearing account
- If the supplier fail to deliver goods, these suppliers must supply equivalent or superior products to the discretion of the consumer

7) RIGHT TO FAIR VALUE, GOOD QUALITY AND SAFETY

a) Right to demand quality service

Consumers are entitled to the following when entering into an agreement with a supplier

- Timely performance and completion of service
- Notice of any unavoidable delays in the completion of the service
- High quality of workmanship and service
- Use and installation of goods, free of defects and good quality

Suppliers must remedy and defects in quality or services or refund the consumer a reasonable amount of the price of the service or goods.

b) Right to safe, good quality goods

Consumers are entitled to products in good quality and safe working condition and free of defects.

Products must comply with the standards ACT NO 29 of 1993 or any other ACT REGULATIONS.

c) Right to implied warranty of quality

- The producer, importer, distributor and supplier must warrant that the goods comply with requirements of being of good quality, durable and safe for the use as advertised or designed.

- If goods are of inferior quality, unsafe or defective the consumer may return the product within a period of six months at the expense of the supplier.
- Suppliers are obliged to repair, refund or replace the failed, defective or unsafe products

8) RIGHT TO FAIR VALUE, GOOD QUALITY AND SAFETY

a) Right to quality service, when entering into agreements or contracts, consumers are entitled to the following:

- Goods that is free of any defects and of acceptable quality.
- High quality service that a consumer is entitled to.
- Timely performance and completion of the services.
- Notice of any unavoidable delays in the performance of the contract or service.

b) Right to safe and good quality.

- Consumers have a right to receive services and goods in working order, free of defects and good quality and the items must comply with any standards set under the Standards Act No 29 of 1993 and any other public regulations as published from time to time.

c) Right to implied warranty of quality.

- If goods or products are of inferior quality, unsafe or defective, the consumer are permitted to return the goods to the supplier without any penalty and at the suppliers risk and expense within a period of (6) six months after receipt.
- Suppliers are obliged to refund, repair or replace the defective goods at the discretion of the consumer.

d) Right to warranty on repaired goods.

- Every new or reconditioned part installed during any repair or maintenance task , including the labour to install it, must be guaranteed for a period of at least (3) three months.

NB! If consumers are found to be misusing or abuse goods or products while under warranty, the warranties are null and void.

e) Right to receive warnings on the facts and nature of risks.

- Consumers must be provided with adequate instructions for the safe handling of goods as well as any hazards when using the products.
- Suppliers are obliged to inform consumers of any risk of an unusual nature or character that consumers cannot reasonably predict, especially the circumstances that could result in serious injury or death.

f) Right to recovery and safe disposal of products or components.

- Suppliers are responsible for accepting and disposing of waste deemed unsuitable for disposal in common waste systems.

g) Right to have products monitored for safety and or recalled.

- Industry codes will make provision for the return / recall of hazardous, unsafe or defective goods.

h) Right to claim damages for injuries caused by unsafe or defective products.

Producers, importers, distributors or retailers of any products are liable for any harm caused by their products due to the following:

- Supplying of any unsafe products.
- Product failures, defects or hazards in any product.
- When inadequate instructions or warnings were provided to the end user, pertaining from the use of the product, irrespective of whether the harm resulted from any negligence on the part of the producers, importers, distributors or retailers.

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KT0404 CLIENT SERVICES

It is essential for business owners to define good customer and client service practices. While there are certain individual principles of quality customer care, there are also degrees and differences between the customer service standards provided within different industries and at different price points. Business owners who want to maintain good relationships with clients and customers need to develop and continuously review their own customer service processes.

Defining Customer Service

Businesses don't just produce and sell goods or offer services. They also actively work to meet customer needs. Customer service is the way in which a company identifies and meets a customer's needs through its interactions with that individual.

Customer service begins even before a sale has been made, with company executives, managers and employees developing business practices that center upon the needs of a potential client or customer. This may mean creating a website or retail store that is easy to navigate, or focusing on user-friendly product design. From there, sales team members provide customer service by matching prospects with appropriate products and services. After a sale, sales team members or other dedicated representatives may provide support and assistance with any problems or concerns that a customer might have.

Elements of Good Customer and Client Service

Good customer service happens when a business is committed to meeting the needs of all its customers. Ideally, customer service is woven into a company's culture and is present at every stage of a business-customer relationship:

Identifying client or customer needs: A good salesperson can help a prospective client or customer identify what he needs or wants by taking time to listen and pay attention. When the sales team member has a better understanding of a prospect's circumstances, the salesperson is in a better position to offer ideas and solutions, and close the sale.

Ethical sales: An ethical salesperson does not "oversell" unnecessary products or services to a prospect. Good customer service means that a salesperson listens to the customer, takes into consideration the customer's budget and makes appropriate recommendations. In

some cases, the salesperson may even refer the sales prospect to a competitor who is better able to meet the prospect's needs.

Education and training: Knowledgeable salespeople and customer service representatives are better able to serve customers and clients. Business owners who invest in training for their staffs reap rewards in the form of satisfied customers and happy employees.

Responsiveness to client concerns: Owners of successful businesses want to ensure that clients and customers can get their questions answered and concerns resolved promptly. In addition, company management should be prepared to analyze customer input and make changes in policies, procedures and products to meet customer needs.

Developing a long-term sales relationship: Successful businesses establish long-term relationships with customers. In many cases, this may mean forgoing short-term sales and profits in hopes of gaining a customer's trust and loyalty. In the end, a long-term customer may represent greater earnings for a business in the form of both ongoing sales as well as word-of-mouth referrals.

Common Customer and Client Service Challenges

Most small business owners genuinely want to offer excellent service to their clients and customers. However, company policies and processes can sometimes make it difficult to provide the best quality service. In addition, these poorly considered processes can interfere with customer relationships.

Here are some common challenges that companies face when trying to provide excellent service:

Quality issues: If a business sells a product or service of poor or uneven quality, surmounting customer problems will be next to impossible. Business owners need to train their employees properly and implement quality control processes to ensure that customers and clients are getting what they paid for.

Poor processes: All businesses need to develop processes that improve efficiency and profitability. However, a policy or procedure can have unintended consequences, including deficits in customer service. For example, if sales representatives have a quota of contacts that they need to make each day, that number may need to be adjusted to allow a representative to spend time answering a prospect's questions or addressing feedback. If an employee is forced to neglect a prospect or a current client because she is working under an

unreasonable timetable, customer service suffers. Over time, customer frustration can damage a business.

Lack of quality content: Customers become frustrated when they don't know how to properly assemble, use or troubleshoot a product. Business owners should ensure that instruction manuals and assembly resources, such as diagrams and videos, are of high quality and easy to understand. The same holds true for service providers whose clients may not be aware of their policies, procedures and menu of services. For example, a home cleaning company could provide new clients with a simple guide to the services (i.e., window cleaning isn't included in standard rates) and options (i.e., organic or unscented cleaning products) offered to clients.

Accessibility problems: Business owners should consider how easy it is for a client or customer to get help when they need it. At minimum, websites should have contact information, or a link to contact information, prominently displayed on each page. Another area of frustration for many customers and clients is being able to get in touch when a problem arises, and in a way that meets the customer's needs. A business that offers limited customer service hours or only offers one method of communication, such as an email address, and that does not have a sufficient number of customer service representatives, is likely to develop a bad reputation that will eventually harm the company's sales

Poorly trained staff: It is a mistake for business owners to treat the customer service department as an afterthought. Competent customer service professionals are excellent communicators and problem solvers. They are also capable of keeping their cool under pressure. Businesses should develop initial and ongoing training programs for customer service staff.

Disempowered staff: Customer service representatives should have the ability to make independent decisions about the best way to assist a client or customer. If representatives are only permitted to read off a script or must refer a caller to a supervisor if the customer wants a refund or compensation for a problem, both customer and representative are likely to become frustrated. This results in low employee morale and a damaged client relationship.

Lack of follow-up: The sales process doesn't end after a client or customer receives the service or product. Similarly, contact with the customer service rep to deal with a problem or question doesn't mean that the issue has been resolved. Some customers just don't have the time or energy to pursue a solution to an ongoing problem. These individuals may opt to simply return a product or write it off as a loss before transferring their business to a competitor.

Other Considerations

Customer service policies and procedures can, and should, evolve. Sales and customer service software systems can make tracking customer contacts easy, allowing company ownership and management to review trends, patterns and the effectiveness of specific employees in meeting customer needs. As a business owner gains more knowledge of her customers and their behavior, she will be in a better position to modify her business practices and improve relationships.

KT0405 SUPPLIER RELATIONS, TENDERS AND PROCUREMENT

Supplier relationship management (SRM) is undergoing a major transition. Gone are the days where simply managing spend and finding the best deal possible within your supply base is enough – or easy.

In today's global economy there are so many factors to consider when choosing and managing a supplier, that it can quickly become overwhelming. Thankfully, there's new technology out there that helps to automate and simplify the process, making it easy for you to make fast, informed decisions about your suppliers. And the results are impressive: companies focused on SRM lead their peers five to one in terms of value derived from their supply base.

Here are five secrets about SRM you need to know now to start cultivating meaningful supplier relationships:

1. The focus is on the relationship. In today's world, managing the supply base is about strengthening relationships that can make or break your business. Earning your suppliers' trust with honest communication, listening to their concerns and involving them in your processes ultimately makes them a vested partner in your business.
2. Expectations are changing. Procurement is expected to know where they are vulnerable and bolster their teams for success. Teams that put a greater emphasis on qualitative and quantitative supplier data analysis will be able to quickly and succinctly identify weak spots, risks and opportunities in the global supply chain - improving the strategies and plans needed to manage the suppliers, and ultimately both businesses, for continued success.
3. It's mutually beneficial. If you are aligned with your suppliers and treat them as partners, both businesses will experience higher success rates, decreased risks and enhanced collaboration and innovation. Studies have found the top procurement teams that have successfully aligned with their key suppliers have improved supplier capabilities of innovation, quality, reliability and costs/price reductions and agility to reduce risk factors. Greater value can be achieved for both businesses, something that would be difficult to achieve if operating independently.

4. It delivers big opportunities. Successful SRM yields a faster time to market, transactional efficiency, competitiveness, risk management, and large financial gains - all of which not only contribute to your bottom line, but also allow you to deliver a quality and cutting edge product, putting you ahead of the market.
5. Technology can simplify the process. The key to effective SRM is having a system in place that makes it easy to view your suppliers and analyze all of the risk factors. Using SRM technology provides you with full and unparalleled visibility into your supplier base, giving you a detailed picture of what is impacting your supply chain and making it easy to mitigate the risk.

Tender and procurement

An invitation to tender is an open request for proposal advertised by an organisation in the local newspaper, to invite potential and interested suppliers to submit their bid for supplying goods or services. It is issued for a number of contracts, like construction contract, supplying machinery, deliver some software, etc. The entire process of inviting tender, submitting the tender and filling quotation is a part of the tendering process.

Definition of Tender

Tender is nothing but a response to an invitation to offer to provide product or services at quoted prices and specified quality, but subject to specific conditions.

An invitation to tender is floated by the government undertaking, financial institution or a big corporation for different projects, when they want to purchase goods on a large scale, hire services or acquire/construct something but they are not able to deliver it on their own. For this purpose, third party suppliers are invited to bid and submit tenders.

The tender document is sent to prospective suppliers, to solicit information, to select the supplier on the basis of price, delivery terms and availability. The sellers who are interested in the request for proposal can respond to the request, within the deadline specified, by submitting their best offer in sealed covers, with the appropriate authority.

Tender is like a competition for a contract, where various prospective suppliers are requested to submit tenders, containing the price and quality of the material required.

The invitation is published in a vernacular newspaper of the concerned state or country, as it is a mandatory requirement, to maintain transparency in their operations.

KT0406 STAKEHOLDER EXPECTATIONS

Managing stakeholder expectations

The **process of managing stakeholders** is an activity of communicating with stakeholders and managing their expectations and concerns for the purpose of meeting the stakeholder needs, addressing issues, resolving conflict situations, and achieving the project goals. The process is generally based on holding communications and taking change requests to gather feedback and make updates to project documentation.

An effective stakeholder management process is the guarantee that timely and relevant feedback is provided and that the steering of the change effort is made according to the stakeholder management strategy. The project manager takes responsibility for managing stakeholder expectations, resolving conflicts and detecting and settling any issues arising during the project course. In general, the process of managing stakeholders is comprised of the following key elements:

- **Managing stakeholder expectations:** when expectations of the stakeholders are actively managed, the project gets a higher likelihood for success. The project manager should continuously negotiate and influence desires of the stakeholders to achieve strict conformity of project goals and expectations and maintain the project management effort.
- **Managing stakeholder perception:** it is important to the project success to ensure that the stakeholders are engaged with the project on a scheduled basis and they are aware of current status of the project work. High-level stakeholder perception increases the likelihood that the stakeholders provide the necessary support level and the project can be implemented as expected.
- **Recording stakeholder activity:** the project manager is ultimately responsible for recording and logging all the activities stakeholders undertake. Therefore, the project manager should formally track all interactions with stakeholders and between them and then make records of the results the project has achieved, in order to secure stakeholder acceptance and the project communications plan adherence.
- **Solving problems and resolving conflicts:** The project manager in cooperation with the conflict manager should address the stakeholders concerns and assess risks and

threats to prevent issues and conflicts. The project manager may generate solutions by referring to change requests.

An understanding of the managing stakeholders process elements allows the project manager to engage with the project stakeholder expectations and needs and to generate actions plans to be used when conflicts are arisen and issues are appeared. The project manager can use the following to analyze conflicts and issues and manage the stakeholders at both the individual level and the group level:

- **Issue logs.** An issue log is an analyzing tool that lets document resolutions of the issues detected. It is a document that has a strict structure comprising of categories that let place each particular issue in the respective category (**issue group**). The project manager uses issue logs to ensure the right understanding of the project by each stakeholder and to maintain constructive working interactions between all the stakeholders, including the project team members.
- **Change Logs.** A change log is a tool that lets document all changes occurred during the course of a project. The project manager uses change logs to record the project changes and their impact the project goals and deliverables. **A change log** may include records on changes to risks, uncertainties, costs, budgets, and it should be communicated to the project stakeholders.

The process of managing and engaging stakeholders may result in developing a change request to the project deliverables. It may also cause changes to the stakeholder management strategy and the stakeholder register. The **managing stakeholders process** allows reviewing and modifying the stakeholder benefits identified at previous stages of the project life-cycle. Then the communications management plan would be changed and appropriate remedial measures and actions plans would be added.

1. Identifying project stakeholders
2. Planning communications and distributing information
3. Managing stakeholder expectations
4. Reporting communication performance



Explain the key elements of supplier relations management [10]



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