Developing a Project

and Managing Risks

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The Project Life Cycle
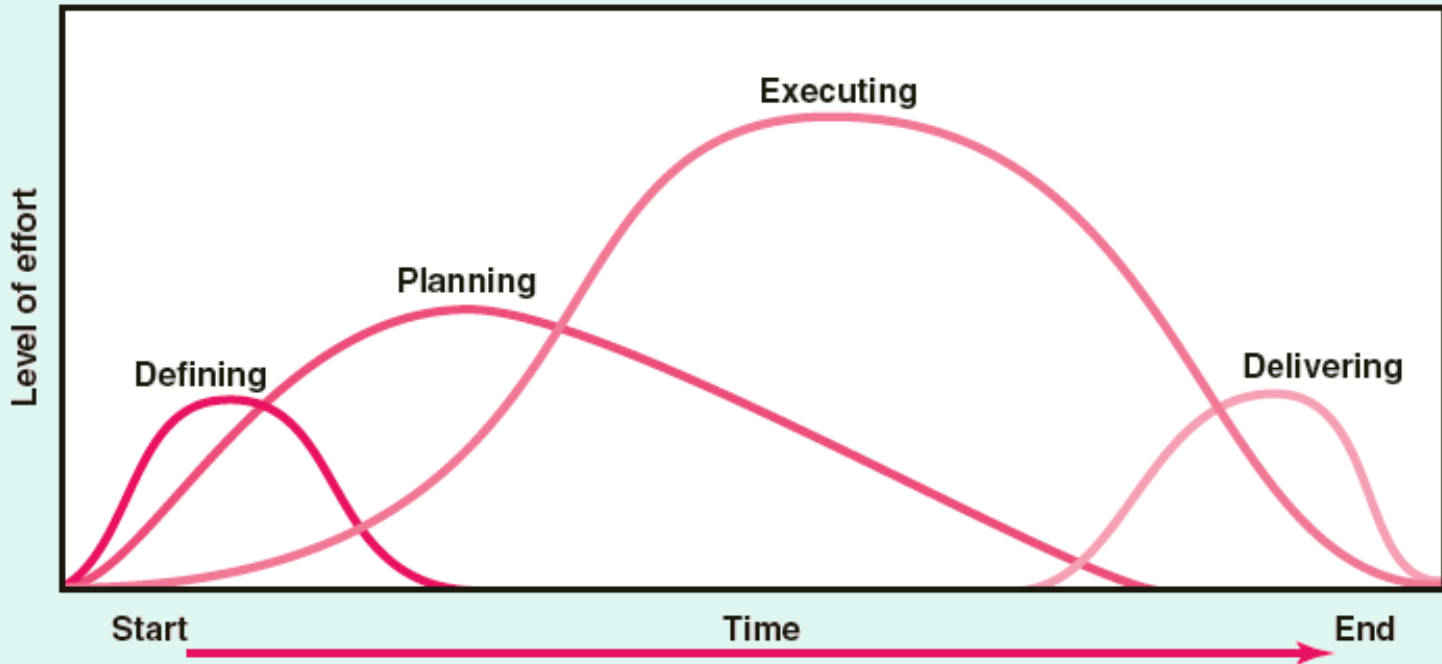
Defining
1. Goals
2. Specifications
3. Tasks
4. Responsibilities

Planning
1. Schedules
2. Budgets
3. Resources
4. Risks
5. Staffing

Executing
1. Status reports
2. Changes
3. Quality
4. Forecasts

Delivering
1. Train customer
2. Transfer documents
3. Release resources
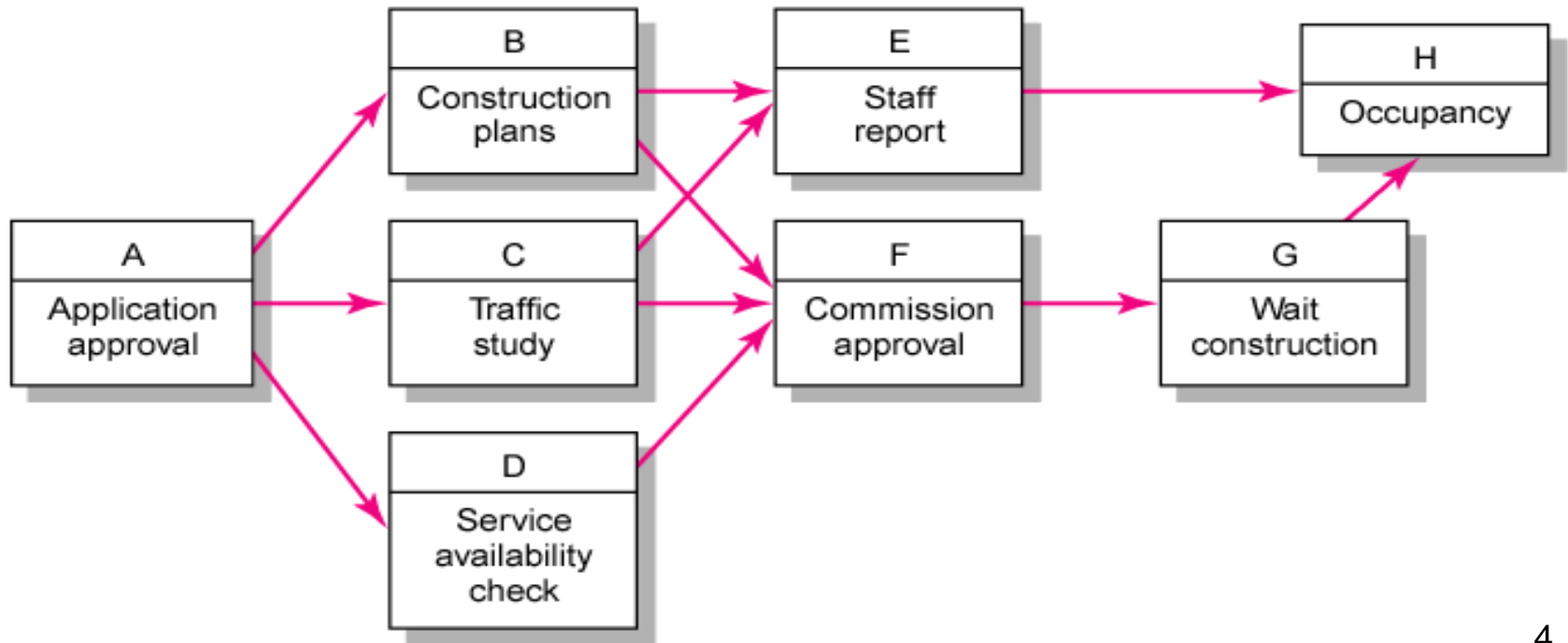4. Release staff
5. Lessons learned

Network Information

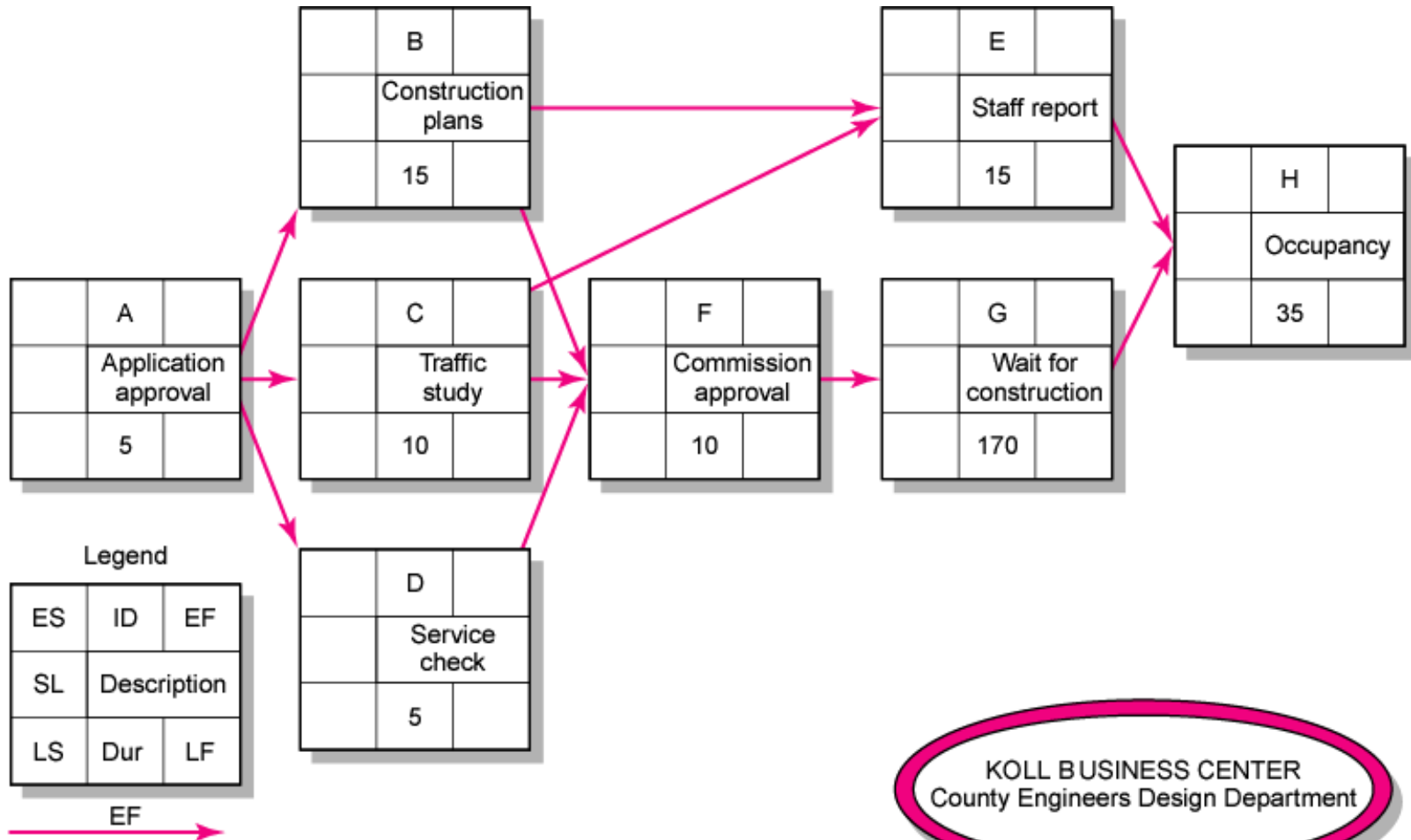**KOLL BUSINESS CENTER**
County Engineers Design Department

Activity	Description	Preceding Activity	Activity Time
A	Application approval	None	5
B	Construction plans	A	15
C	Traffic study	A	10
D	Service availability check	A	5
E	Staff report	B, C	15
F	Commission approval	B, C, D	10
G	Wait for construction	F	170
H	Occupancy	E, G	35

Complete Network

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Activity-on-Node Network

Cost—Duration Trade-off
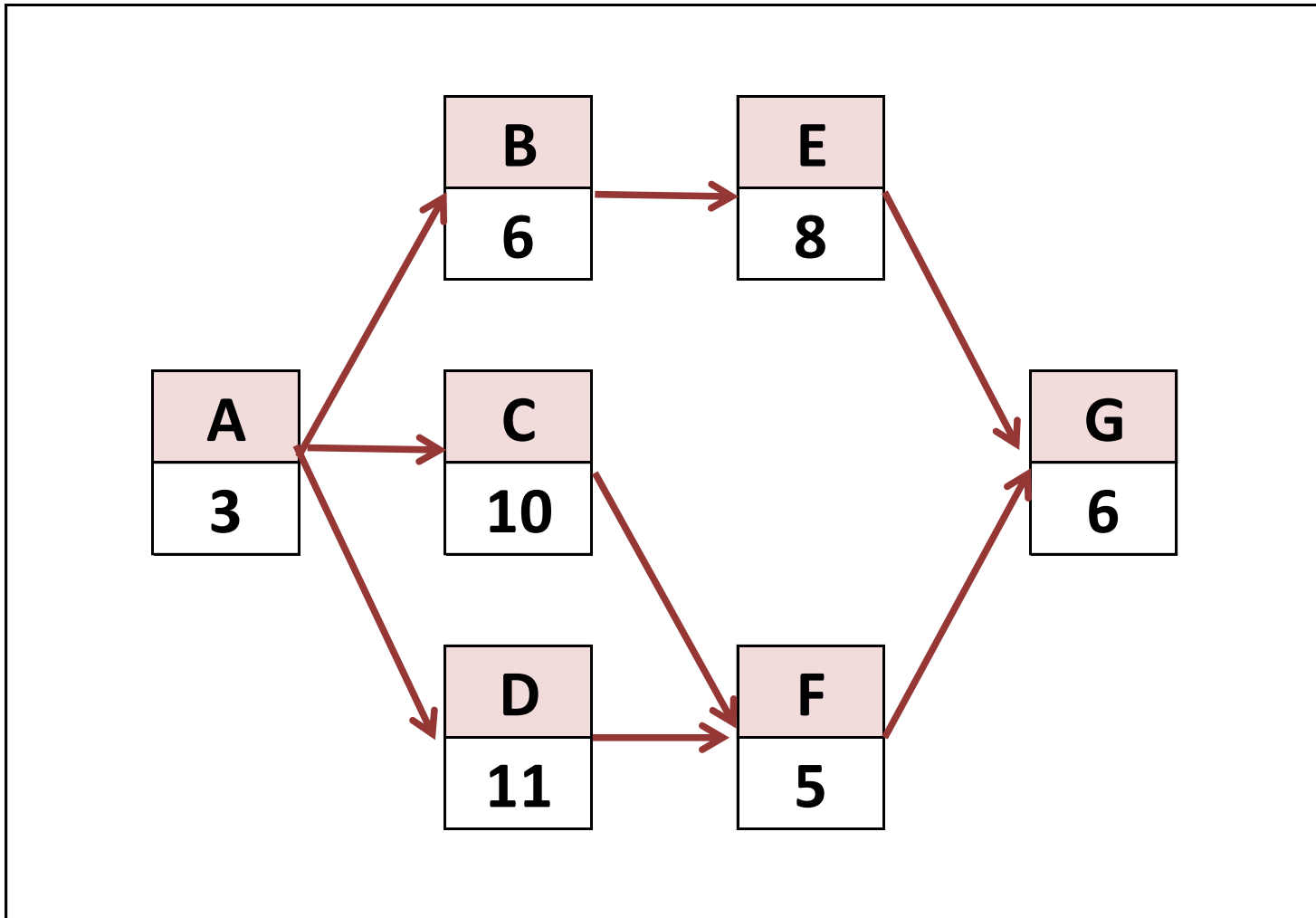
Cost—Duration Trade-off Example

Activity ID	Slope	Maximum crash time	Direct costs			
			Normal		Crash	
			Time	Cost	Time	Cost
A	$20	1	3	$50	2	$70
B	40	2	6	80	4	160
C	30	1	10	60	9	90
D	25	4	11	50	7	150
E	30	2	8	100	6	160
F	30	1	5	40	4	70
G	0	0	6	70	6	70

Project Management Communication

- Stakeholder Categories
  - Aspects
- Stakeholders Register
  - Role
  - Primary interest
  - Secondary interest
- Communication Plan
  - Stakeholder
  - Method
  - Frequency
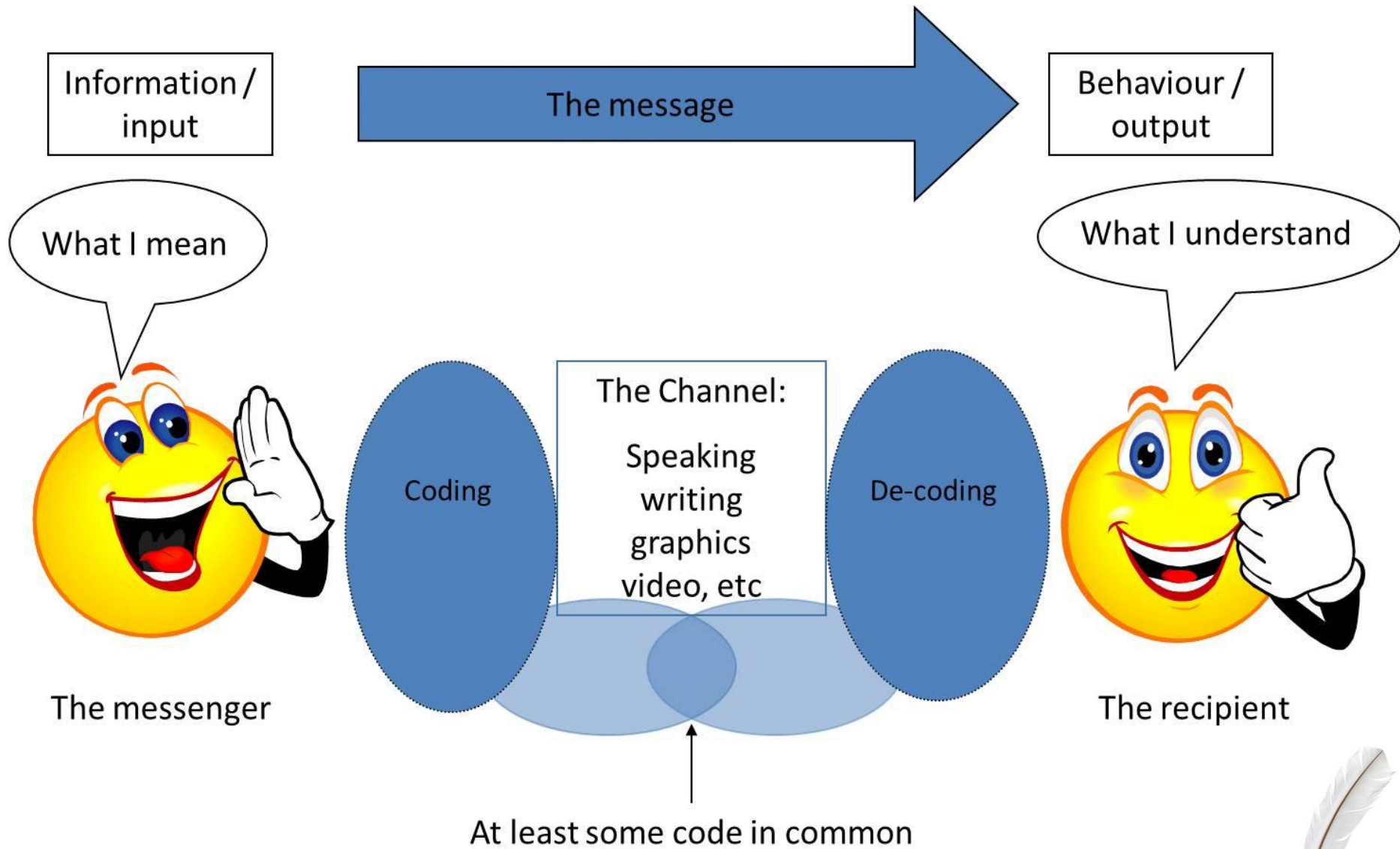
Sun Tzu – The Art of War

- If you know the enemy and know yourself, you need not fear the result of a hundred battles… If you know neither the enemy nor yourself, you will succumb in every battle.

- There are not more than five musical notes, yet the combinations of these five give rise to more melodies than can ever be heard.

- If words of command are not clear and distinct, if orders are not thoroughly understood, the general is to blame. But if his orders ARE clear, and the soldiers nevertheless disobey, then it is the fault of their officers.

Stakeholder Categories

| ASPECTS	SWOT
- **+** Power (Formal – Non Formal) ⟵————————⟶ Interest (Being affected) ⟵————————⟶ Support (Likes the project) ⟵————————⟶ Knowledge ⟵————————⟶ Political Connections ⟵————————⟶	**Strengths:** characteristics of the business or project that give it an advantage over others **Weaknesses:** are characteristics that place the team at a disadvantage relative to others **Opportunities:** elements that the project could exploit to its advantage **Threats:** elements in the environment that could cause trouble for the business or project

Navigating Organizational Cultures

❑ Interacting with the culture of the parent organization

❑ Interacting with clients or customer organizations

❑ Interacting with other organizations connected to the project

Identifying Cultural Characteristics

- Study the physical characteristics of an organization.

- Read about the organization.

- Observe how people interact within the organization.

- Interpret stories and folklore surrounding the organization.

Gender
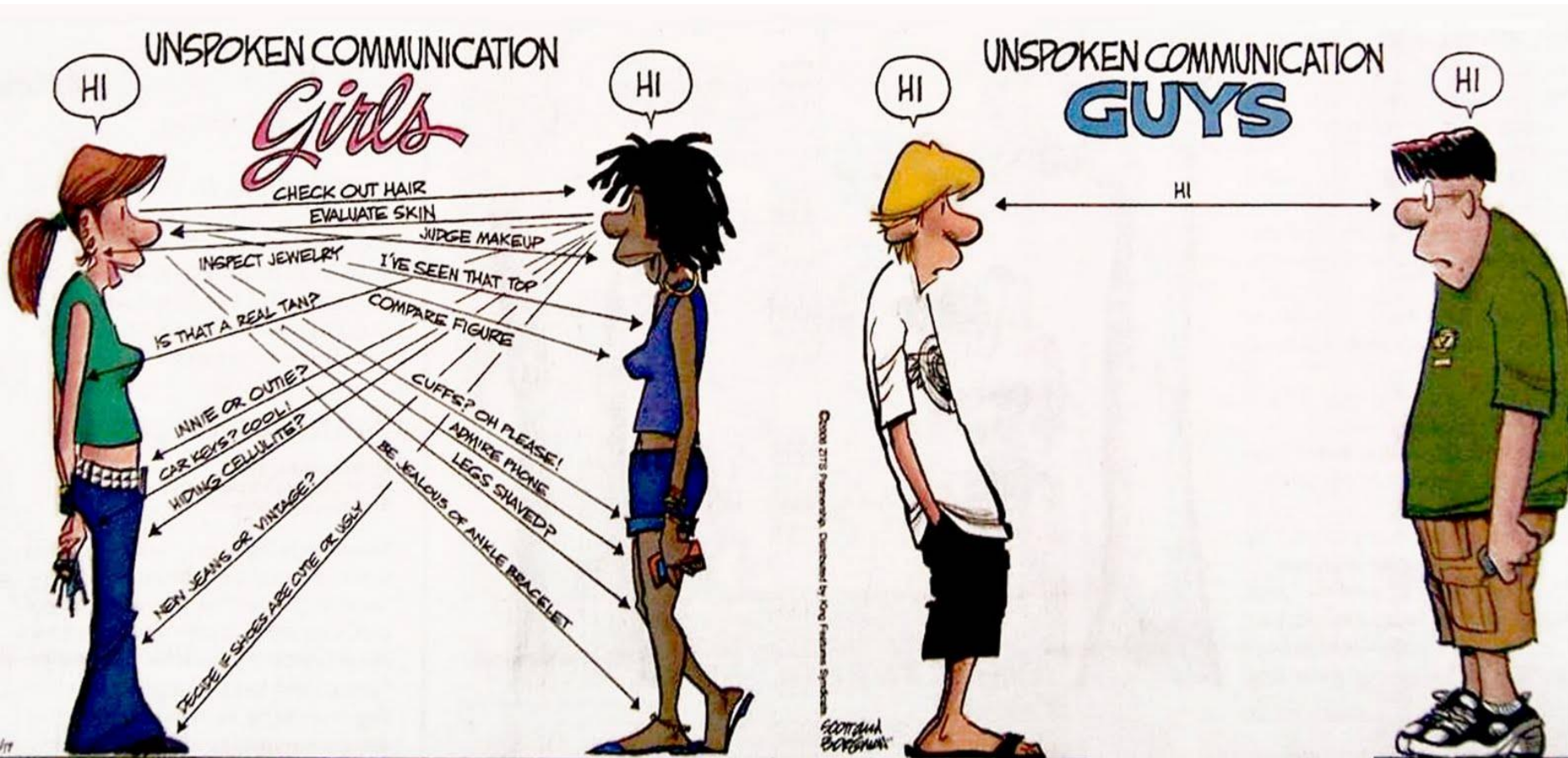
Culture

- **Sweden – All agree, non-hierarchy**
- **Denmark – Good negotiators, many changers**
- **German – Hierarchy**
- **England – Management: direct,   Staff: relaxed & do the job**
- **Spain – Latin temper, not structured**
- **Latin America – Mañana**
- **USA – Think they are best, they are not!**
- **Asia – Problem saying no**
- **Japan – Perfect, no matter cost**
- **China – Follow the processes, hard working**
- **India – Cheap labor, High admin, Progress?**

- **When break IT-connection in Lund**
- **When break IT-connection in China**

Distribute

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Managing Risks

Risk

An uncertain event that, if it occurs, has a positive or negative effect on project objectives

Risk Management

A proactive attempt to recognize and manage internal events and external threats that affect the likelihood of a project's success

- **What can go wrong (risk event)**

- **How to minimize the risk event's impact (consequences)**

- **What can be done before an event occurs (anticipation)**

- **What to do when an event occurs (contingency plans)**
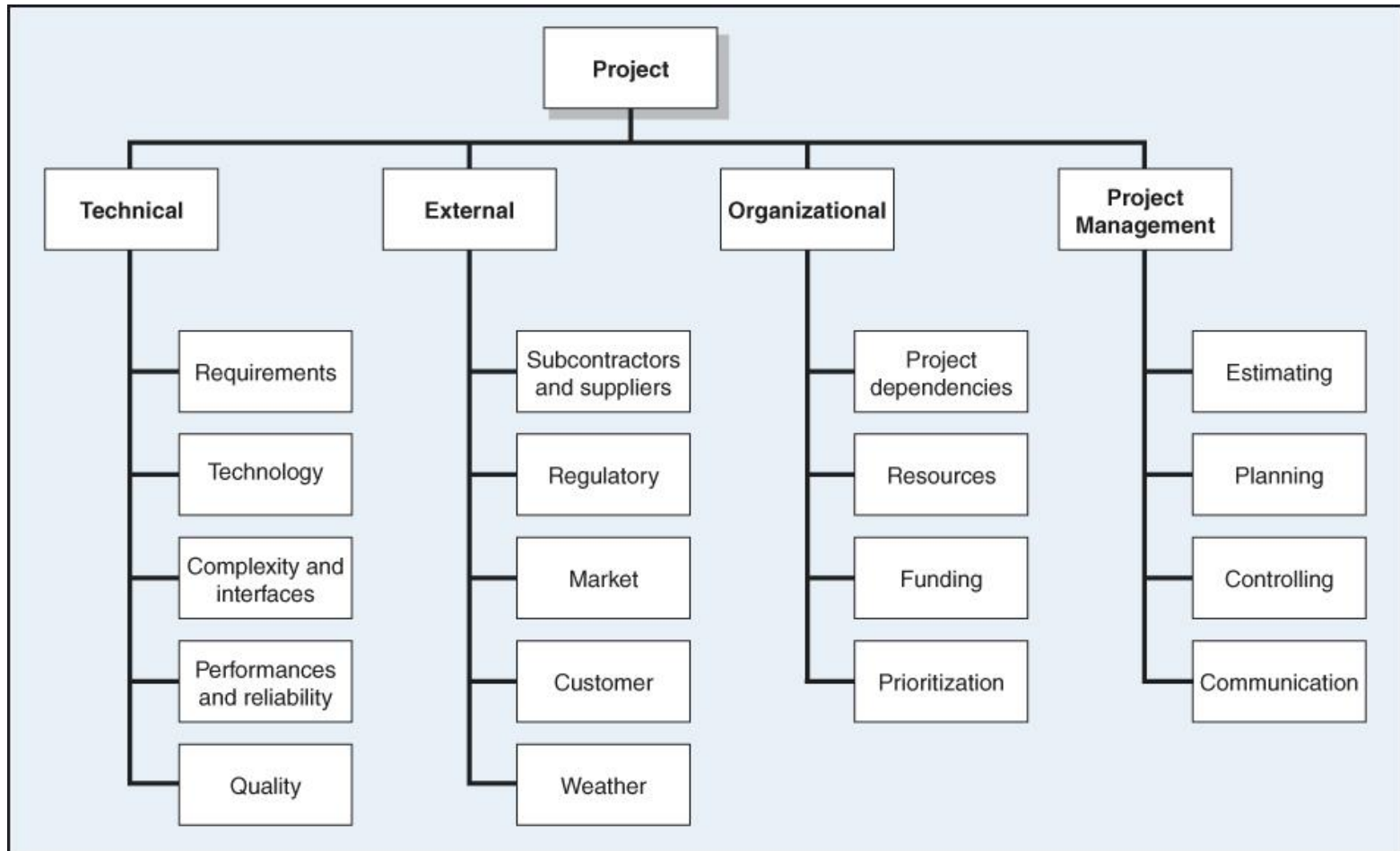
The Risk Event Graph
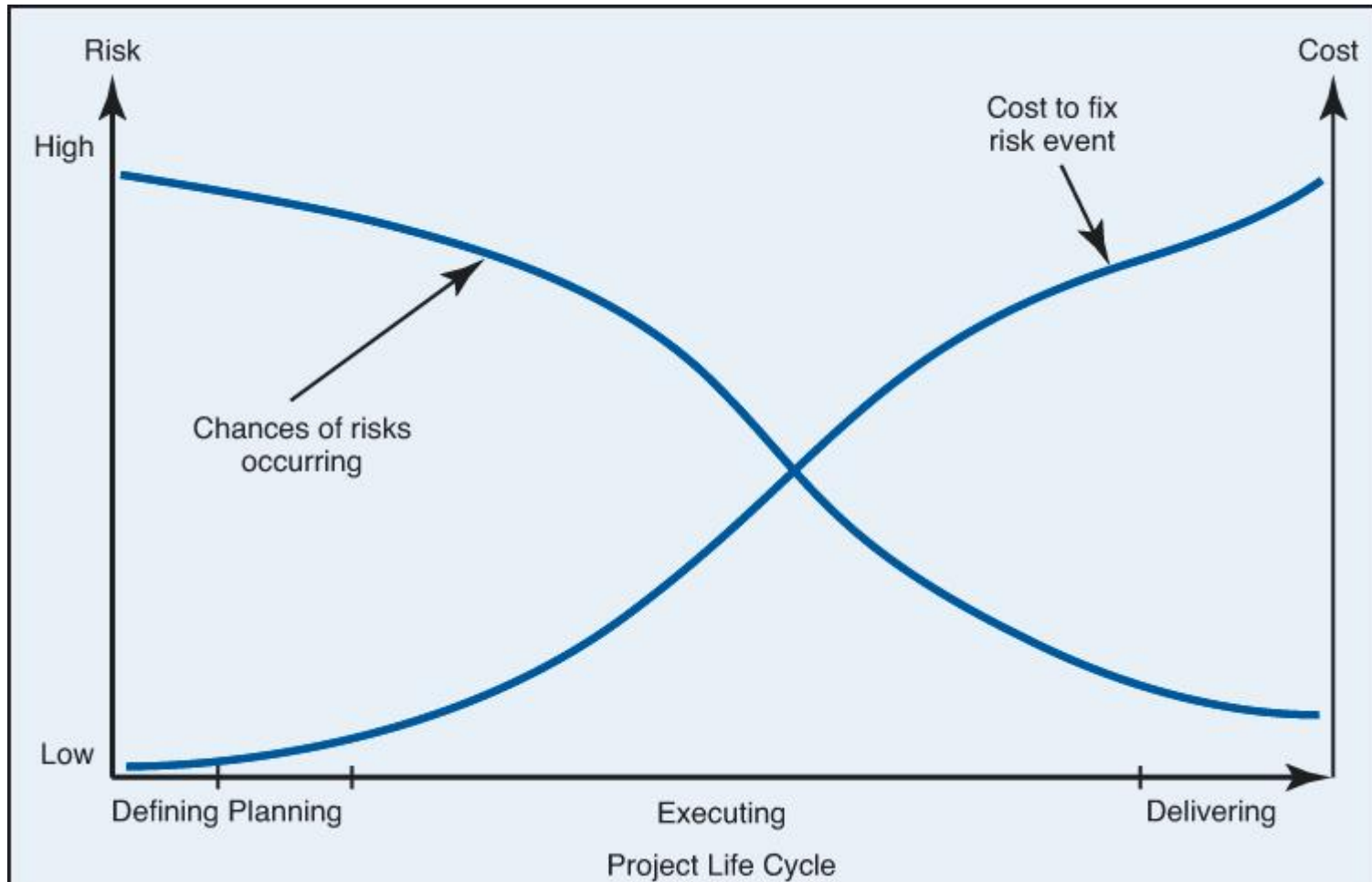
Risk Management

- **Step 1: Risk Identification**
- **Step 2: Risk Assessment and Scenario**
- **Step 3: Risk Response Development**
- **Step 4: Risk Response Control**

1. Risk Breakdown Structure

2. Risk Assessment Form

Risk Event	Likelihood	Impact	Detection Difficulty	When
Interface problems	4	4	4	Conversion
System freezing	2	5	5	Start-up
User backlash	4	3	3	Postinstallation
Hardware malfunctioning	1	5	5	Installation

3. Risk Response Development

- **Risk and Contingency Planning**
  - Technical Risks
  - Schedule Risks
  - Cost Risks
  - Funding Risks
- **Risk Response Matrix**

Risk Event	Response	Contingency Plan	Trigger	Who Is Responsible
Interface problems	Reduce	Work around until help comes	Not solved within 24 hours	Nils
System freezing	Reduce	Reinstall OS	Still frozen after one hour	Emmylou
User backlash	Reduce	Increase staff support	Call from top management	Eddie
Equipment malfunctions	Transfer	Order different brand	Replacement doesn't work	Jim

4. Risk Response Control

❑ Risk control

❑ Change Management System

Sources of Change

- Project scope changes

- Implementation of contingency plans

- Improvement changes

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