

HOLA

The broader project environment

Organizational Influences
Project Stakeholders and Governance
Project Team

Organizational Influences

Organizational Cultures and Styles (cultural norms)

- developed over time
- established approaches to initiating and planning projects
- the means considered acceptable for getting the work done
- who are the authorities who make or influence decisions

Can include:

- Visions, mission, values, beliefs & expectations
- Regulations, policies, methods & procedures
- Motivation & reward systems
- Risk tolerance
- View of leadership, hierarchy & authority relationships
- Code of conduct, work ethic & work hours
- Operating environments

An organization's culture is an **enterprise environmental factor**.

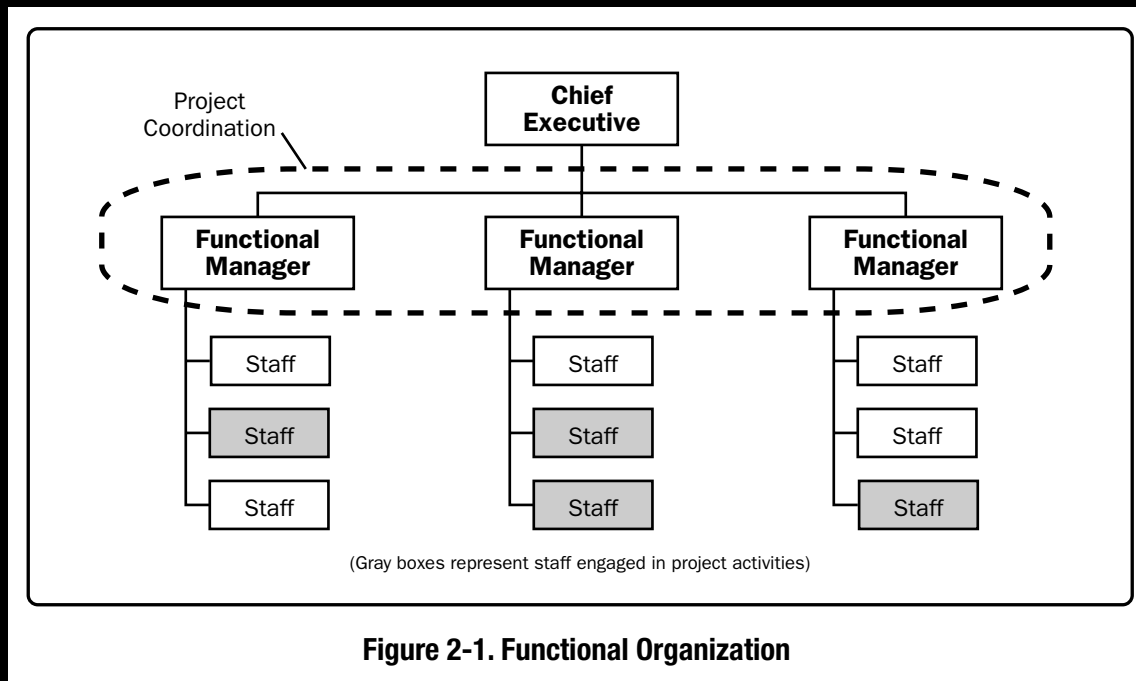
Organizational Structure



A projects manager's influence on a project

functional

Staff is grouped by specialty, such as production, marketing, engineering or accounting



Each department does the project work independently of other departments

Figure 2-1. Functional Organization

Organizational Structure

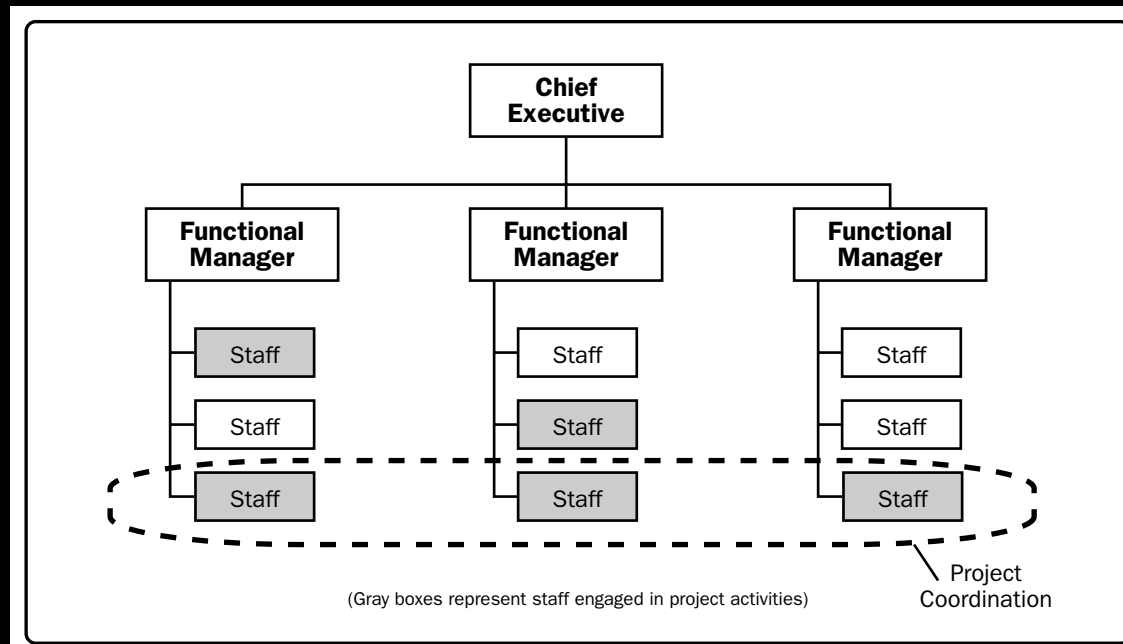


A projects manager's influence on a project

matrix

→ week - balanced - strong

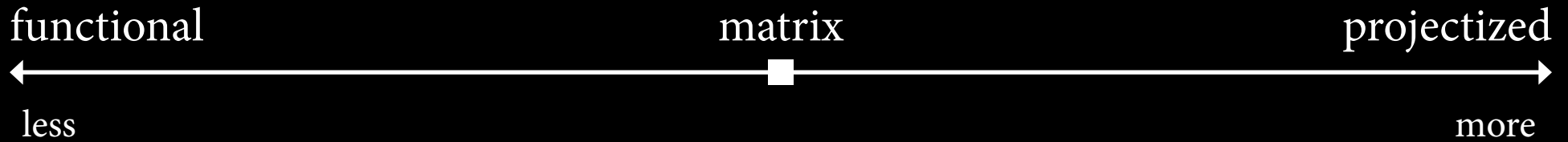
Rated upon the **relative level of power & influence** between functional and project managers



The role of the project manager is more of a coordinator, expeditor, staff assistant and/or communications coordinator

Figure 2-2. Weak Matrix Organization

Organizational Structure



A projects manager's influence on a project

matrix
week - balanced - strong

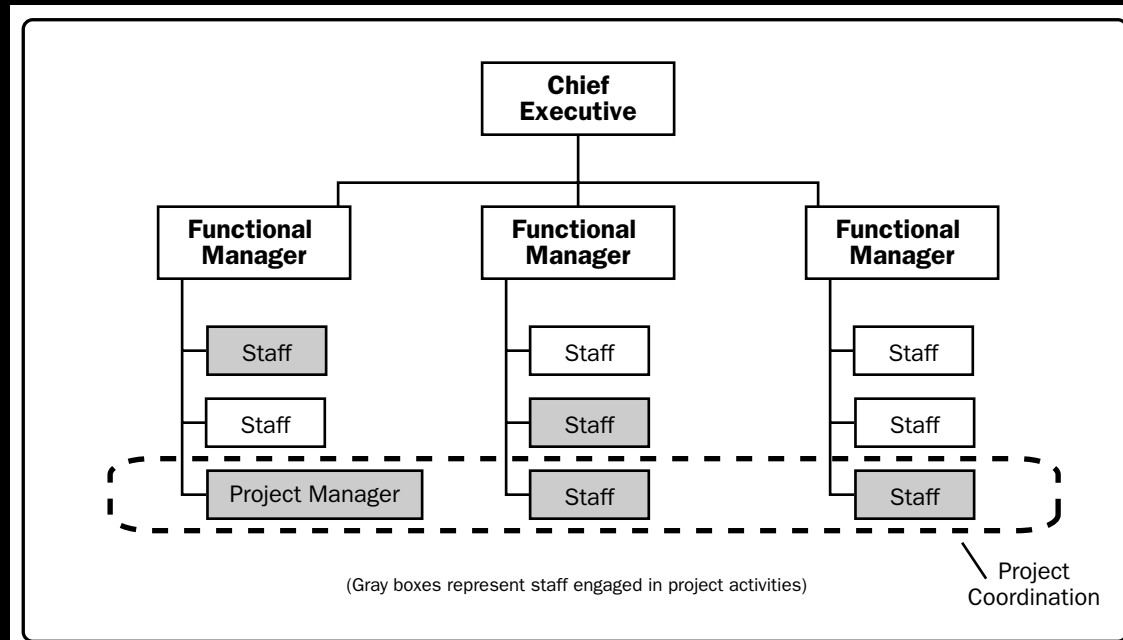


Figure 2-3. Balanced Matrix Organization

Organizational Structure

functional

matrix

projectized



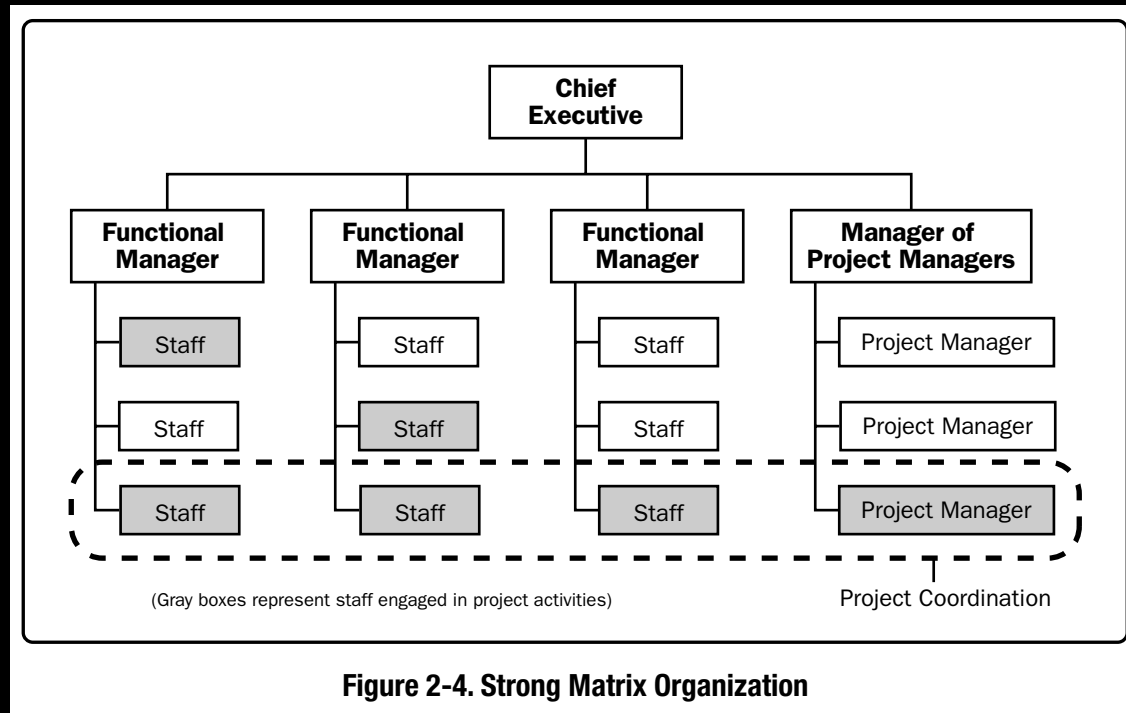
less

more

A projects manager's influence on a project

matrix

week - balanced - strong



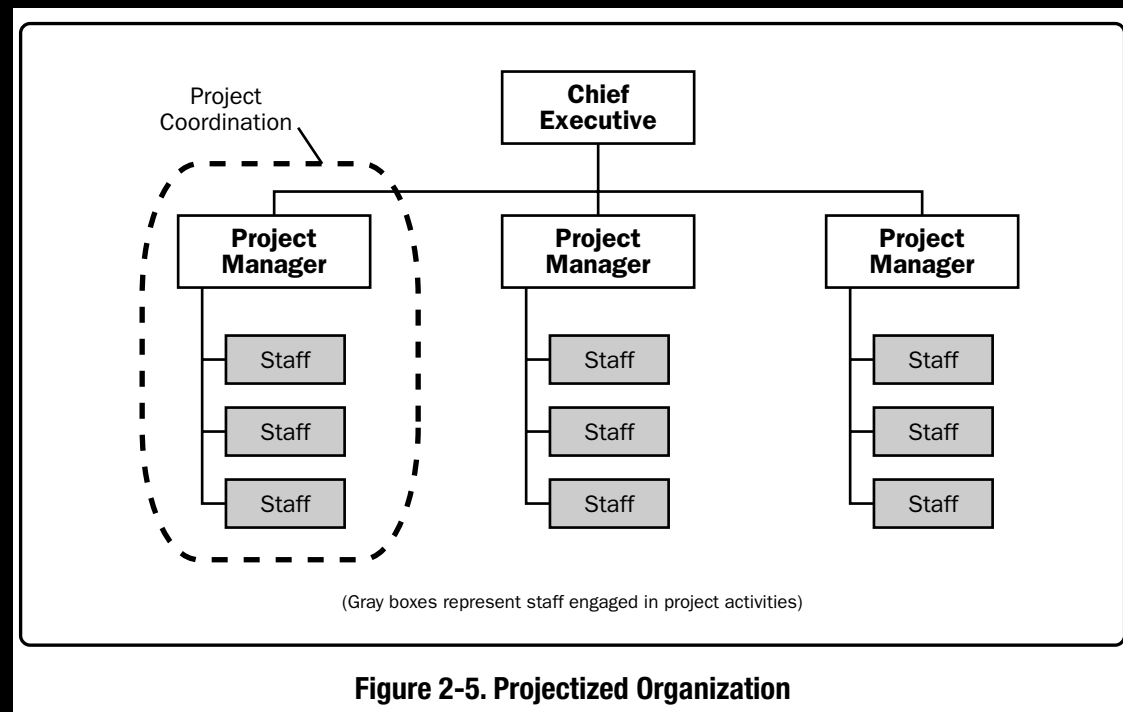
Organizational Structure



A projects manager's influence on a project

projectized

Staff is often colocated & project managers have a great deal of **independence and authority**

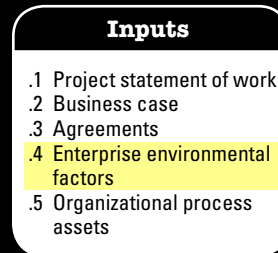


Organizations may use all of these types of structures at various levels. This is referred to as a **composite organization**

Figure 2-5. Projectized Organization

Enterprise Environmental Factors

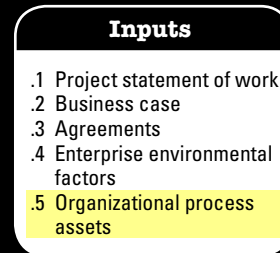
Conditions, **not under the control of the project team**, that influence, constrain, or direct a project



- Organizational culture, structure, and governance
- Geographic distribution of facilities and resources
- Government or industry standards
- Infrastructure (existing facilities & equipment)
- Existing human resources (skills, disciplines, knowledge)
- Personnel administration (staffing and retention, performance reviews and training records, overtime policy, time tracking)
- Company work authorization systems
- Market conditions
- Stakeholder risk tolerance
- Political climate
- Established communications channels
- Commercial databases (estimating data, risk databases)
- Project management information systems (scheduling software tool, financial reporting)

Organizational Process Assets

The plans, processes, policies, procedures, and knowledge bases

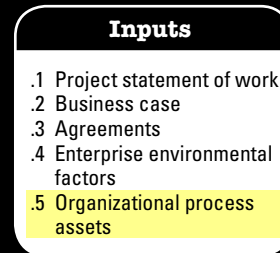


For the Initiating and Planning Process Groups:

- **Guidelines** for how to tailor standard processes & procedures to a project
- Standard **policies** (human resources, health and safety, ethics, and project management policies)
- **Quality** policies and procedures (process audits, improvement targets)
- **Templates** (risk register, work breakdown structure, project schedule network diagram, and contracts)

Organizational Process Assets

The plans, processes, policies, procedures, and knowledge bases



For the Executing, Monitoring and Controlling Process Groups:

- Various **procedures** (change control, issue and defect management, risk control procedures and financial control)
- Organizational **communication** requirements
- **Standardized** guidelines, work instructions, proposal evaluation criteria, and performance measurement criteria

Organizational Process Assets

The plans, processes, policies, procedures, and knowledge bases

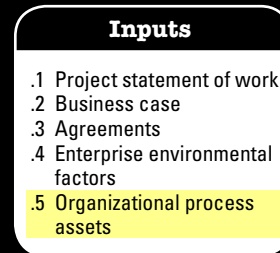
Inputs
.1 Project statement of work
.2 Business case
.3 Agreements
.4 Enterprise environmental factors
.5 Organizational process assets

For the Closing Process Group:

- **Project closure guidelines** or requirements (lessons learned, final project audits, project evaluations, product validations and acceptance criteria)

Organizational Process Assets

The plans, processes, policies, procedures, and knowledge bases

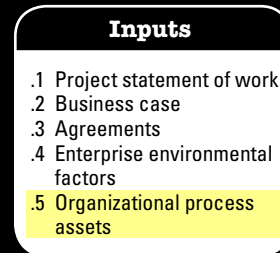


The Corporate Knowledge Base:

- **Versions & baselines** of all standards, policies, procedures and project documents
- **Financial databases** (labor hours, incurred costs, budgets, and any project cost overruns)
- Historical information and **lessons learned** knowledge bases (project records and documents, project closure documentation, selection decisions)

Organizational Process Assets

The plans, processes, policies, procedures, and knowledge bases



The Corporate Knowledge Base:

- Issue and **defect management** databases (defect status, control information, issue and defect resolution and action item results)
- **Process measurement** databases
- Previous **Project files** (scope, cost, schedule and performance baselines, project calendars, project schedules, risk registers, planned response actions, and defined risk impact)

Project Stakeholders

An individual, group, or organization who may **affect or be affected by** (positively or negatively) a project

May have **competing expectations** that may create conflict within the project

Include all members of the project team as well as all interested entities that are **internal or external** to the organization

May have varying levels of **responsibility and authority** (which can change over time)

Identifying stakeholders and understanding their degree of influence are critical to the success of the project

Project Stakeholders

Sponsor:

The person or group who **provides resources and support** for the project and is accountable for enabling project success

Promotes the project to higher levels of management to gather support throughout the organization

Leads the project through the initiating processes until it is **formally authorized** and plays a significant role in the development of the initial scope and charter

Customers and users:

Customers are the persons or organizations who will approve and manage the project's product, service or result

Users are the persons or organizations who will use the project's product, service, or result.

Project Stakeholders

Sellers:

Vendors, suppliers, or contractors external to the organization

Business partners:

Provide specialized expertise or fill a specified role such as installation, customization, training, or support (think project partners)

Organizational groups: (internal)

Marketing and sales, human resources, legal, finance, operations, manufacturing and customer service departments

Functional managers:

A manager of a administrative or functional area of the business such as human resources, finance, accounting, or procurement

Other stakeholders:

Procurement entities, financial institutions, government regulators, subject matter experts and consultants

Project Governance

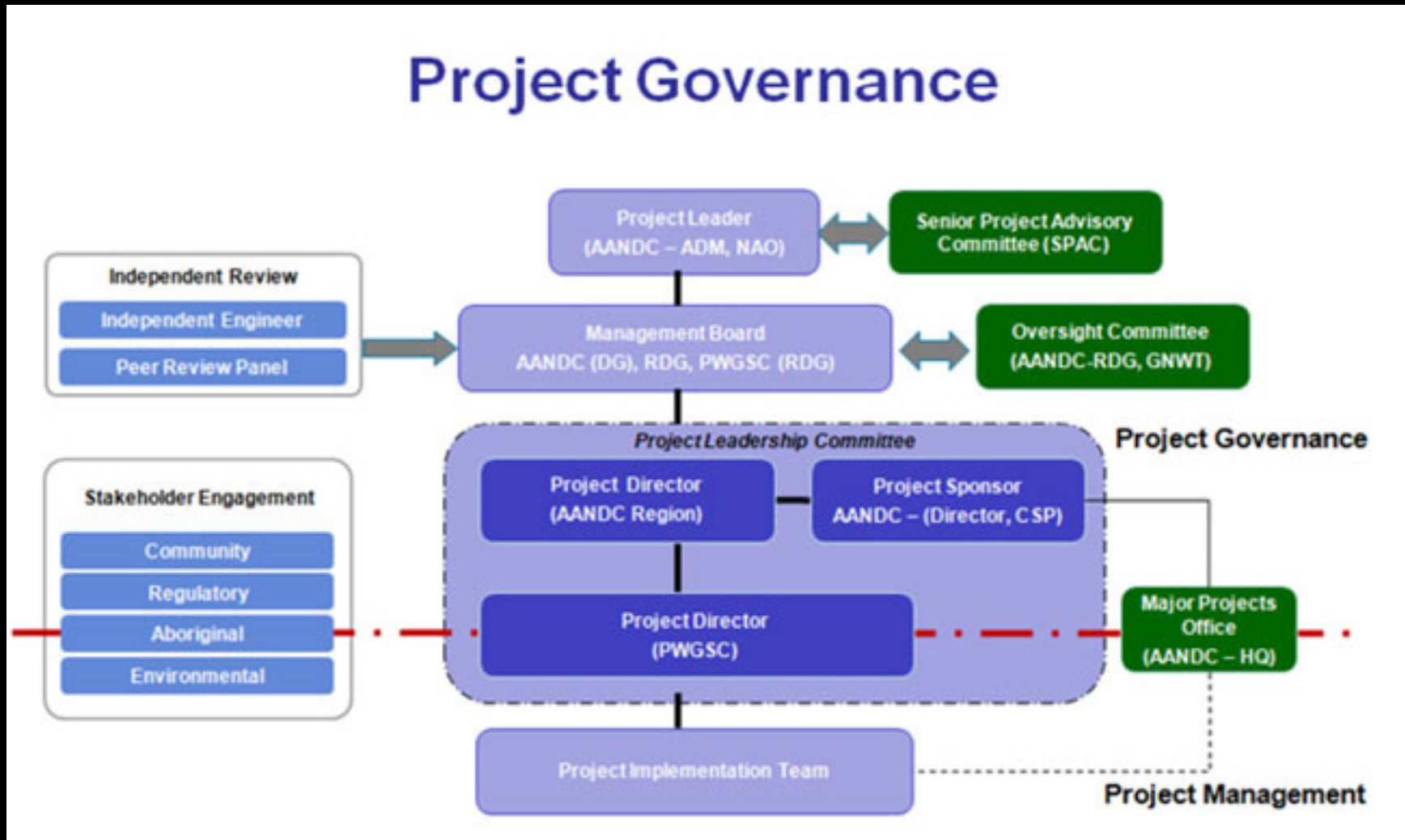
The management framework: the structure, processes, decision-making models and tools for managing the project

Elements of project governance:

- Project success and deliverable acceptance criteria
- Process to identify, escalate, and resolve issues
- Relationship among the project team, organizational groups and external stakeholders
- Organization chart
- Communication processes & procedures
- Decision-making processes
- Guidelines for aligning project governance and organizational strategy
- The life cycle approach
- Process for stage gate or phase reviews
- Review and approval process for changes to budget, scope, quality, and schedule
- Process to align internal stakeholders with project process requirements

The project manager responsible for planning, executing, controlling, and closing the project within these, and other, constraints

Project Governance



An example from
Aboriginal Affairs and Northern Development Canada

Project Team

Project Manager:

The leader of the team

Project management staff:

Scheduling, budgeting, reporting and control, communications, risk management & admin. support

Project staff:

Those who carry out the work of creating the project deliverables

Supporting experts:

Contracting, financial management, logistics, legal, safety, engineering, test, or quality control

User or Customer Representatives:

May act as representatives to ensure proper coordination, advise on requirements, or validate the project

Project Team

Sellers:

Vendors, suppliers, or contractors external to the organization

Business partners:

Provide specialized expertise or fill a specified role such as installation, customization, training, or support (think project partners)

Project Team Composition

The relationship between the project manager and the team varies depending on the authority of the project manager

Dedicated Project Team:

All or a majority of the project team members are assigned to work full-time on the project

This is the simplest structure for a project manager

Part-Time Project Team:

Common in matrix organizations

Functional managers maintain control over team members and the resources allocated to the project

Project Team Composition

A team may vary based on its organizational structure, for example, a **partnership or joint venture** project:

- one organization takes the lead and assigns a project manager to coordinate the efforts among partners

A partnership can offer flexibility at lower cost but a project manager may have lower degree of control over team members

A project team may also vary based on the **geographic location** of its members

If you are leading a **virtual team** you need to accommodate differences in culture, working hours, time zones, local conditions and language

Q&A

Question

1. Understanding the culture, policies, and procedures of the organization in which the project is being performed is MOST challenging in:
 - A. Global organizations.
 - B. Manufacturing organizations.
 - C. Small organizations.
 - D. Agile organizations.

Answer

1. **Answer A**

Explanation Understanding the culture, policies, and procedures of the organization in which the project is being performed is especially challenging in global organizations. Culture, policies, and procedures in the performing office may be different from those of the office from which the project is managed, and may also vary between international offices of the same organization. This will influence how the project is managed.

Question

2. In a projectized organization, the project team:

- A. Reports to many bosses.
- B. Has no loyalty to the project.
- C. Reports to the functional manager.
- D. Will not always have a “home.”

Answer

2. Answer D

Explanation The main drawback of a projectized organization is that at the end of the project when the team is dispersed, they do not have a functional department (“home”) to which to return.

Question

3. A project manager is trying to complete a software development project, but cannot get enough attention for the project. Resources are focused on completing process-related work, and the project manager has little authority to assign resources. What form of organization must the project manager be working in?
- A. Functional
 - B. Matrix
 - C. Expediter
 - D. Coordinator

Answer

3. Answer A

Explanation In a functional organization, the project manager has the least support for the project and has little authority to assign resources. Project expediter and project coordinator are roles in a weak matrix organization.

Question

4. A project manager has very little project experience, but he has been assigned as the project manager of a new project. Because he will be working in a matrix organization to complete his project, he can expect communications to be:
- A. Simple.
 - B. Open and accurate.
 - C. Complex.
 - D. Hard to automate.

Answer

4. **Answer C**

Explanation Because a project done in a matrix organization involves people from across the organization, communications are more complex.

Question

5. A project team member is talking to another team member and complaining that many people are asking him to do things. If he works in a functional organization, who has the power to give direction to the team member?
- A. The project manager
 - B. The functional manager
 - C. The team
 - D. The PMO

Answer

5. **Answer B**

Explanation In a functional organization, the functional manager is the team member's boss and probably also the project manager's boss.

Question

6. Two project managers have just realized that they are in a weak matrix organization and that their power as project managers is quite limited. One figures out that he is really a project expediter, and the other realizes he is really a project coordinator.

How is a project expediter different from a project coordinator?

- A. The project expediter cannot make decisions.
- B. The project expediter can make more decisions.
- C. The project expediter reports to a higher-level manager.
- D. The project expediter has some authority.

Answer

6. **Answer A**

Explanation The project coordinator reports to a higher-level manager and has authority to make some decisions. The project expeditor has no authority to make decisions.

Question

7. Who has the MOST power in a projectized organization?

- A. The project manager
- B. The functional manager
- C. The team
- D. They all share power

Answer

7. **Answer A**

Explanation In a projectized organization, the entire company is organized by projects, giving the project manager the most power.

Question

8. All of the following are characteristics of a project EXCEPT:

- A. It is temporary.
- B. It has a definite beginning and end.
- C. It has interrelated activities.
- D. It repeats itself every month.

Answer

8. **Answer D**

Explanation “It repeats itself every month” implies that the whole project repeats every month. Generally, the only things that might repeat in a project are some activities. The whole project does not repeat.

Question

9. A framework for keeping an organization focused on its overall strategy is:
- A. Organizational project management.
 - B. The *PMBOK® Guide*.
 - C. Project governance.
 - D. Portfolio management.

Answer

9. **Answer A**

Explanation Organizational project management (OPM) provides a framework and direction for how projects, programs, portfolios, and organizational work should be done to meet the organization's strategic goals.

Question

10. Which of the following BEST describes the major constraints on a project?

- A. Scope, number of resources, and cost
- B. Scope, cost, and time
- C. Scope, time, cost, quality, risk, resources, and customer satisfaction
- D. Time, cost, and number of changes

Answer

10. **Answer C**

Explanation “Scope, time, cost, quality, risk, resources, and customer satisfaction” is the most accurate list of constraints, or competing demands, that a project manager must deal with.

ADIOS