

**PROJECT MANAGEMENT  
APPROACH TO  
INVESTMENT  
ESTABLISHMENT**

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# PURPOSE OF THIS PRESENTATION

First

- To present the required critical success factors which will facilitate Project Management Functions

Second

- To highlight the innate constituents of steps in achieving good Project management Functions

# Lecture Segments

- Definition and General Overview
- Characteristics of project
- Project Planning
- Negotiation and Conflicts
- Budgeting
- Project control
- Project termination

## Definition and General Overview



### Definition of Project

- A Project Is
- A group of tasks, performed in a definable time period, in order to meet a specific set of objectives.
- It is likely to be a one-time program.
- It has a life cycle, with a specific start and end.
- It has a work scope that can be categorized into definable tasks.
- It has a budget.
- It is likely to require the use of multiple resources. Many of these resources may be scarce and may have to be shared with others.
- It may require the establishment of a special organization, or the crossing of traditional organizational boundaries.

## Definition and General Overview



### Definition of Project Management

- **Project Management is a set of principles, methods, and techniques that are used to effectively plan and control project work. It establishes a sound basis for effective planning, scheduling, resourcing, decision-making, controlling, and re-planning.**
- **These principles and techniques help complete projects on schedule, within budget, and in full accordance with project specifications. At the same time, they help achieve the other goals of the organization, such as productivity, quality, and cost effectiveness.**

# Project Management Has Been Around Since The Beginning Of Time.



## Project Management In History

- Bible underscores the importance attached to project management as specifically mentioned in the Gospel of St. Luke 14:28-30
- *“Suppose one of you wants to build a tower. Will he not first sit down and estimate the cost to see if he has enough money to complete it? For if he lays the foundation and is not able to finish it, everyone who sees it will ridicule him saying “This fellow began to build and was not able to finish it””.*

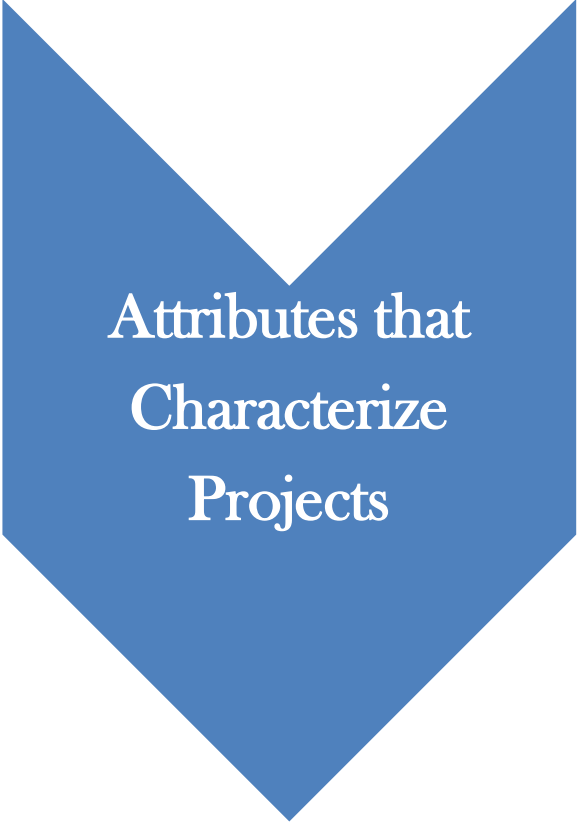
# Project Management Has Been Around Since The Beginning Of Time.



## Project Management In History

- Noah was a great Project Manager. It took careful planning and execution to construct the ark and gather two of every animal on earth, including all the necessary food and water.
- The pyramids of Egypt stand today because of thousands of projects phases and hundreds of Project Managers.
- Each of the seven wonders of the world was the landmark of astute Project Management
- Appian Way (560km) which remains the oldest and most celebrated highway was built in 312 BC in Italy and its still used today.
- We all know about the great wall of China. These are carefully executed Project Management

# Characteristics of a Project



Attributes that  
Characterize  
Projects

- Purpose
- Life Cycle
- Interdependencies
- Uniqueness
- Inevitable Conflicts
- Risks
- Load balancing of
  - Scope of work
  - Time allocation
  - Resources allocation
  - Cost management
  - Communication



# Project Planning

Project Planning Must  
Ideally Contain The  
Following Elements

- **General Overview**
- **Objectives**
- **General Approach**
- **Contractual Aspects**
- **Schedules**
- **Resources**
- **Personnel**
- **Evaluation Methods**
- **Potential Problems**

# Negotiation And Conflict Resolution



## Negotiation Explained

- There is no project-centric favoured definition of negotiation. However, any definition of such always involves these synonyms:
  - Mediate opinions
  - Conciliate arguments
  - Make peace
  - Bring to agreement
  - Settle differences
  - Moderate issues and costs
  - Arbitrate conflicts
  - Adjust differences
  - Compromise
  - Bargain
  - Haggle

# Negotiation And Conflict Resolution

## Conflict Explained

- Conflict is a process which begins when one party perceives the other has frustrated or is about to frustrate some concerns relating to the first party.
- Conflict, as it relates to project management, refers to the goal conflicts that occur when an individual, department or group pursues different goals distinct from other goals in attainment of corporate goal (devoid of sub optimization)
- Conflicts can be resolved either by
  - Brute Force or by
  - Rule of Law (time honored method)
- Most of the time, conflicts bring positive result in terms of relationship and productivity in an organization

# Negotiation And Conflict Resolution

## Conflict Explained

- Conflicts center on such matters as
- Schedules and milestones
- Priorities
- Staff and labor requirements
- Technical factors
- Administrative procedures
- Fund availability and rationing
- Cost estimates
- Personality conflicts
- Leadership styles

# Resolution Of Conflicts In Project Management

## Principled Negotiation

- The project manager should focus on the following in achieving the win-win situation:
- Separate people from the problem
- Focus on interest not positions
- Invent options for mutual corporate gains
- Insist on using objective criteria
- Institute Pareto Optimal Solution

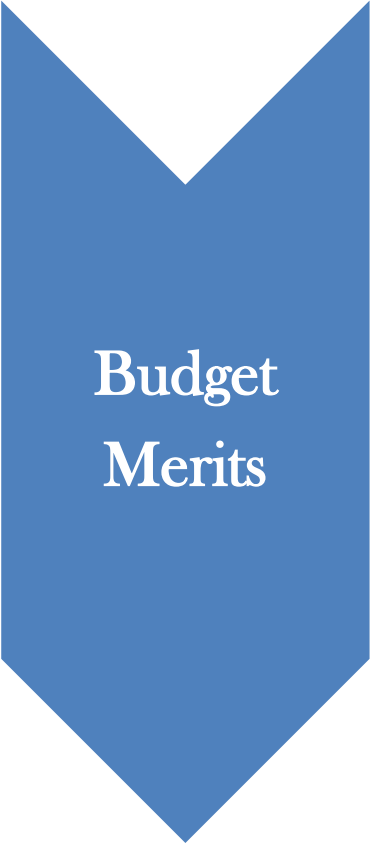
# Budgeting



Budget

- **Budget is a plan for allocation of scarce resources to the various endeavors of an organization to establish a cost and material baseline for measuring project performance**
- **The outcomes of the allocation do not often satisfy managers who work under budget constraints**

# Budgeting



## Budget Merits

- Budget associates results with the achievement of organizational goals
- It informs the management any variance in the execution of projects
- It helps management in future resource, capital and personnel allocations
- It enhances the efficiency of the project manager in further budget preparations

# Budgeting



## Budget Types

- **Top-down budget**
- **Bottom-Up Budget**
- **Negotiation-In-Action (participative management)**
- **Zero based Budgets (funding is tied to justifiability of programs)**





## Budgeting & Management Control

- **Develop key performance indicators (KPIs) for each unit/function within the project group.**
- **Ensure the group's units/functions have adequate tools and internal controls in place.**
- **Evaluate group's unit/functional performance against agreed objectives and targets.**



## Financial Management

- **Assess business risk and propose risk mitigation solutions and measures.**
- **Update the executive management regularly on performances, risk management processes and operational problems**

# Control

## Control Explained

- Control is one of the important elements of Project management as information is collected about performance and compared with desired level and action taken if variance occurs.
- Control is the act that reduces the difference between plan and reality
- The fundamental objectives of control are
  - Regulation of results through alteration of activities
  - Stewardship of organizational assets

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  - Regulation of results through alteration of activities
  - Stewardship of organizational assets
    - Physical assets controls
    - Human Resources Controls
    - Financial Resources Controls

# Control



## Design of Control Systems

- The system should be flexible
- The system should be cost effective
- The system must be truly useful
- The system must be ethical
- The system must operate in timely manner
- The system must be user friendly
- The system should be fully documented

# Project Termination

## Definition

- Termination of a project, as in all things, refers to the cessation of the project on completion or otherwise of a specific objective or mandate. At this point:
  - The joy of discovery is now past,
  - The objective had been met,
  - The problems have been solved, bypassed, lived with or ignored
  - Implementation plans have been carried out
  - The client is delighted, angry or reasonably satisfied or given up
  - The impact had been felt and enjoyed.

# Project Termination



## Types of Termination

- **Termination By Extinction** (successful or unsuccessful)
- **Termination by addition**
- **Termination by integration**
- **Termination by Starvation** (budget decrement)

Thank you  
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