PROJECT APPRAISAL AND INVESTMENT ANALYSIS

KNOWLEDGE AREA OF PROJECT MANAGEMENT

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KNOWLEDGE AREA OF PROJECT MANAGEMENT

Project:

A project is a temporary endeavor undertaken to create unique product, service or result**.**

Project Management:

Project management is the application of knowledge, skills, tools and techniques to project activities to meet the project requirements.

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Integration Management

Project Integration Management includes the processes and activities to identify, define, combine, unify, and coordinate the various processes and project management activities within the Project Management Process Groups. In the project management context, integration includes characteristics of unification, consolidation, communication, and interrelationship. These actions should be applied from the start of the project through completion. Project Integration.

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Management includes making choices about:

- Resource allocation,
- Balancing competing demands,
- Examining any alternative approaches,
- Tailoring the processes to meet the project objectives, and
- Managing the interdependencies among the Project Management Knowledge Areas.

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The Scope Management Plan:

Project Scope Management includes the processes required to ensure that the project includes all the work required, and only the work required, to complete the project successfully. Managing the project scope is primarily concerned with defining and controlling what is and is not included in the project.

The Project Scope Management processes are:

1. **Plan Scope Management—**The process of creating a scope management plan that documents how the project and product scope will be defined, validated, and controlled.

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Collect Requirements—The process of determining, documenting, and managing stakeholder needs and requirements to meet project objectives.

Define Scope—The process of developing a detailed description of the project and product.

Create WBS—The process of subdividing project deliverables and project work into smaller, more manageable components.

Validate Scope—The process of formalizing acceptance of the completed project deliverables.

Control Scope—The process of monitoring the status of the project and product scope and managing changes to the scope baseline.

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Scope definition: Scope definition is primarily concerned with what is and is not included in the project. Scope definition takes into account constraints and assumptions. The result is used to manage and measure the project performance.

Stakeholder Analysis: This process makes sure the stakeholders' needs are met and turned into requirements.

Product Analysis: This analyzes the objectives stated by the customer or sponsor and turns them into tangible requirements.

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Project Scope Statement:

The preliminary scope statement is expanded into the “final” project scope statement to be used on the project. Different approaches to performing the work and incorporating the needs of the stakeholders are taken into consideration.

Scope planning inputs:

- Product description
- Project Charter
- Project constraints
- Project assumptions

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Schedule Management Plan:

Plan Schedule Management is the process of establishing the policies, procedures, and documentation for planning, developing, managing, executing, and controlling the project schedule.

The key benefit of this process is that it provides guidance and direction on how the project schedule will be managed throughout the project. This process is performed once or at predefined points in the project.

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The schedule management plan can establish the following:

- Project schedule model development.
- Release and iteration length.
- Level of accuracy.
- Units of measure.
- Organizational procedures links.
- Project schedule model maintenance.
- Rules of performance measurement.

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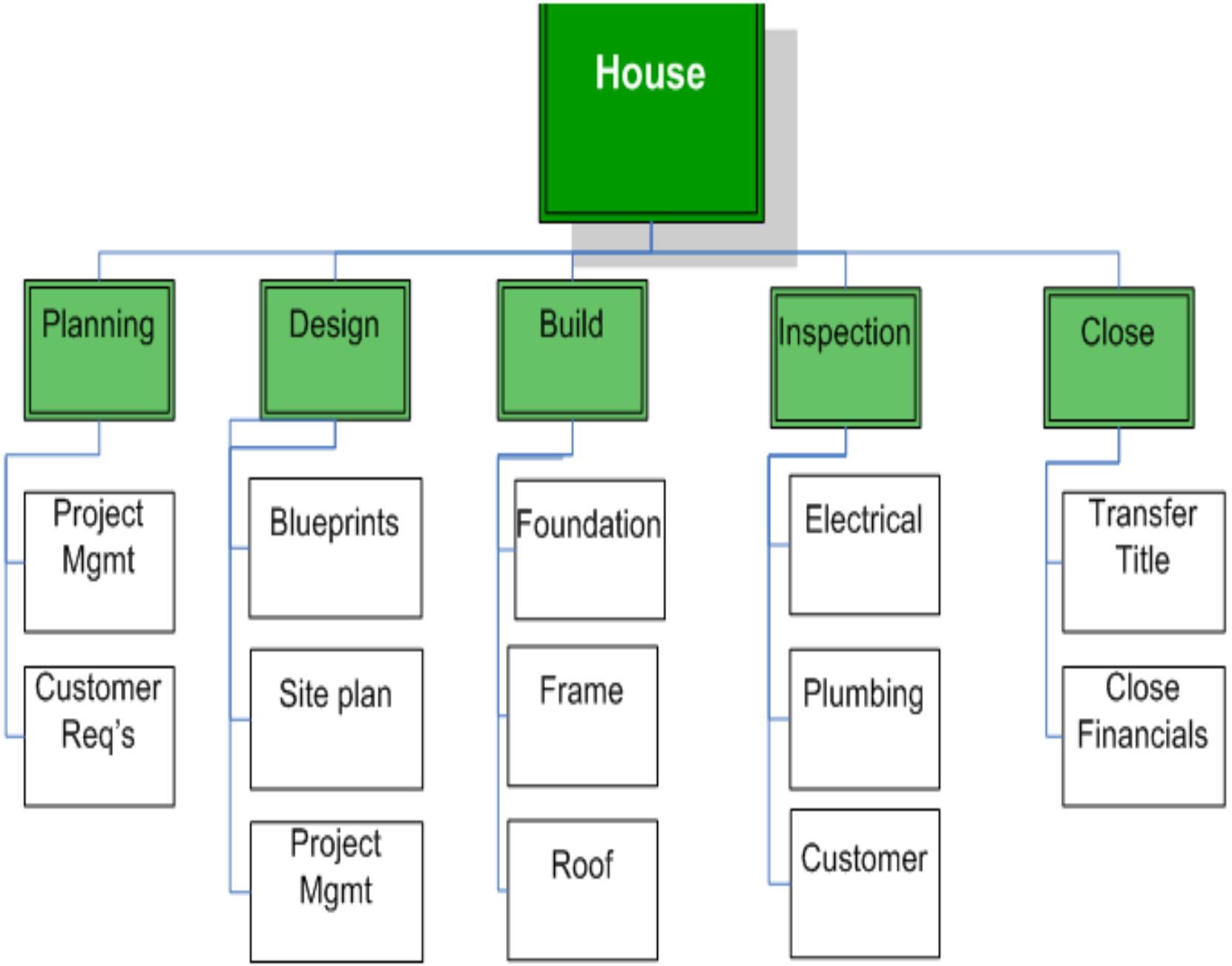
A work breakdown structure (WBS)

It is very similar to a family tree. It maps out the deliverables of the project, with sub deliverables and activities stemming in a tree format.

Decomposition is one of the tools you will use when preparing your WBS. You should be able to break down the deliverables to a point where you can easily plan, execute, control and close out the project deliverables. Each work package should be able to be easily estimated in the Activity Definition Process.


House
Planning
Design
Build
Inspection
Close
Project Mgmt
Customer Req's
Blueprints
Site plan
Project Mgmt
Foundation
Frame
Roof
Electrical
Plumbing
Customer
Transfer Title
Close Financials

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Cost Management Plan:

The process of defining how the project costs will be estimated, budgeted, managed, monitored, and controlled. The key benefit of this process is that it provides guidance and direction on how the project costs will be managed throughout the project. This process is performed once or at predefined points in the project.

Resource Planning

Determine the resources (people, equipment, materials) needed for project completion

Cost Control

Controlling changes to the project budget

Cost Estimating

Develop an approximation of overall cost of resources needed to complete the project

Cost Budgeting

Allocation of the overall cost estimate to the project budget

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The tools and techniques that may be used are benefit/cost analysis, expert judgment, product analysis and alternatives identification.

The main key message here is to have a clearly defined Change Management Plan to address any changes to the final scope. When a change is made, if it is deemed necessary, will cause many other plans and the schedule to be re-done. Changes should be documented as required, important, non-critical or nice to have.

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Quality Management Plan:

Project Quality Management includes the processes for incorporating the organization's quality policy regarding planning, managing, and controlling project and product quality requirements in order to meet stakeholders' objectives.

Project Quality Management also supports continuous process improvement activities as undertaken on behalf of the performing organization.

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Staffing Management Plan:

Identifying project roles, responsibilities and reporting relationships. Obtaining the human resources to complete the project. Improving the competencies and interaction of team members to enhance project performance. Team building plays a big part here.

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Communications Management Plan:

Determining the information needs of the stakeholders. Making needed communications available to the stakeholders in a timely manner. Collecting and distributing performance information including status reports, performance reports and forecasting.

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Risk Management Plan:

Project risk management is the process of identifying, analyzing and then responding to any risk that arises over the life cycle of a project to help the project remain on track and meet its goal. Risk management isn't reactive only; it should be part of the planning process to figure out risk that might happen in the project and how to control that risk if it in fact occurs.

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The Procurement Management Plan:

This plan includes what has to be procured, who will provide the estimates, types of contracts to be used, managing multiple providers, constraints and assumptions that could affect the contract and handling make/buy decisions.

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The Stakeholders Management plan

In project management, a stakeholder management plan is a formal document outlining how stakeholders will be engaged in the project. A stakeholder is a person or group who has a vested interest in the project. By thinking through when and how stakeholders will be involved, a project team can maximize stakeholders' positive impact on the project.

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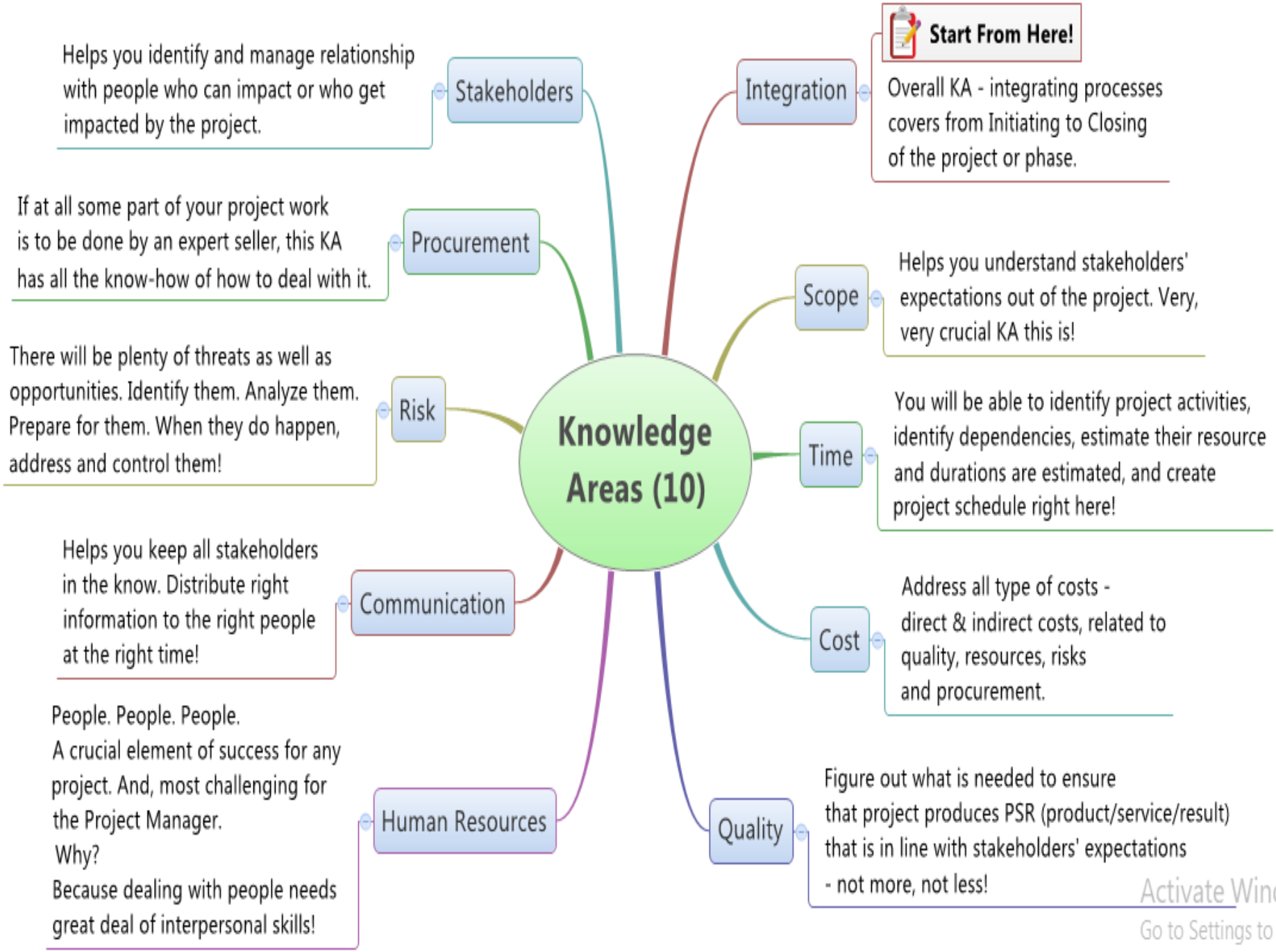
Stakeholders can be internal and external to the organization. Examples of **internal stakeholders** include executives and business units such as accounting and information technology

External stakeholders can be interest groups, businesses, and civic organizations. It is rare for external stakeholders to be represented on the project team


Knowledge Areas (10)
Integration
Start From Here!
Overall KA - integrating processes covers from Initiating to Closing of the project or phase.
Scope
Helps you understand stakeholders' expectations out of the project. Very, very crucial KA this is!
Time
You will be able to identify project activities, identify dependencies, estimate their resource and durations are estimated, and create project schedule right here!
Cost
Address all type of costs - direct & indirect costs, related to quality, resources, risks and procurement.
Quality
Figure out what is needed to ensure that project produces PSR (product/service/result) that is in line with stakeholders' expectations - not more, not less!
Human Resources
People. People. People.
A crucial element of success for any project. And, most challenging for the Project Manager.
Why?
Because dealing with people needs great deal of interpersonal skills!
Communication
Helps you keep all stakeholders in the know. Distribute right information to the right people at the right time!
Risk
There will be plenty of threats as well as opportunities. Identify them. Analyze them. Prepare for them. When they do happen, address and control them!
Procurement
If at all some part of your project work is to be done by an expert seller, this KA has all the know-how of how to deal with it.
Stakeholders
Helps you identify and manage relationship with people who can impact or who get impacted by the project.

Process Groups / Knowledge Area	Initiating	Planning	Executing	Controlling	Closing
4. Project Integration Management		4.1 Project Plan Development	4.2 Project Plan Execution	4.3 Integrated Change Control	
5. Project Scope Management	5.1 Initiation	5.2 Scope Planning 5.3 Scope Definition		5.4 Scope Verification 5.5 Scope Change Control	
6. Project Time Management		6.1 Activity Definition 6.2 Activity Sequencing 6.3 Activity Duration Estimating 6.4 Schedule Development		6.5 Schedule Control	
7. Project Cost Management		7.1 Resource Planning 7.2 Cost Estimating 7.3 Cost Budgeting		7.4 Cost Control	
8. Project Quality Management		8.1 Quality Planning	8.2 Quality Assurance	8.3 Quality Control	
9. Project Human Resource Management		9.1 Organizational Planning 9.2 Staff Acquisition	9.3 Team Development		
10. Project Communications Management		10.1 Communications Planning	10.2 Information Distribution	10.3 Performance Reporting	10.4 Administrative Closure
11. Risk Project Management		11.1 Risk Management Planning 11.2 Risk Identification 11.3 Qualitative Risk Analysis 11.4 Quantitative Risk Analysis 11.5 Risk Response Planning		11.6 Risk Monitoring and Control	
12. Project Procurement Management		12.1 Procurement Planning 12.2 Solicitation Planning	12.3 Solicitation 12.4 Source Selection 12.5 Contract Administration		12.6 Contract Closeout

Project Appraisal

PROJECT APPRAISAL

Project Appraisal

Project Appraisal is a consistent process of reviewing a given project and evaluating its content to approve or reject this project throughout the project.

Feasibility Study

An assessment of the practicality of a proposed plan or method.

PROJECT APPRAISAL

Project Appraisal: overview

Introduction of Project and product

- What (Definition)
- Why (Purpose)
- When (Phase)
- How (Action Items)

PROJECT APPRAISAL

- **Concept Analysis:** it aims to define concept of the proposed project and determine what problem to solve and in which way (solution).
- **Concept Brief:** it is to describe the concept through defining the goals, objectives, scope, costs, time-limits and business drivers of the proposed project.
- **Project Organization:** it is focused on describing the roles and responsibilities of project personnel through developing an organizational chart.
- **Project Proposal:** it summarizes all the previous steps to develop the Project Proposal and submit it for review and approval to the senior stakeholders.

PROJECT APPRAISAL

1. Concept Analysis

- **Problem-Solution Analysis** (aka Needs Assessment). First of all, an analyst needs to define a problem and a solution.
- **Feasibility and Alternatives Analysis.** It is about technical, operational and economical feasibility of the proposed solution in terms of cost-effectiveness and benefits.

PROJECT APPRAISAL

- **Stakeholder Analysis.** This kind of analysis aims to identify all the people and organizations involved in or affected by the problem and/or solution. It focuses on developing the stakeholder list and the stakeholder needs matrix that determines the expectations of the interested parties.
- **Decision Package**. This step aims to review all the analyses made, to create a decision package that describes the reasonability of the project concept, including the proposed solution.

PROJECT APPRAISAL

Feasibility Analysis Includes:

- Technical Analysis
- Environmental Analysis
- Market Analysis
- Financial Analysis
- Economic Analysis
- Return Analysis
- Risk analysis

PROJECT APPRAISAL

2. Concept Brief

- **Project Statement**. the project statement explains how the project is linked to the business needs and strategic context, what goals and objectives it will address, and how it will delivery the proposed solution.
- **Broad Scope.** the broad scope defines what is in and out of the project, what assumptions and constrains determine the project, what to delivery by the project, and what requirements are to be met**.**

PROJECT APPRAISAL

- **Time Estimation.** the time estimation creating a timeline of the activities required to perform the project, implement the solution and address the problem, within the stated scope.
- **Cost Projection.** the cost projection focuses on estimating the total amount of expenses that are expected to occur to support the implementation of the project and production of the deliverables.

PROJECT APPRAISAL

3. Project Organization

- **Governance Structure.** The structure of the roles and responsibilities along with functional duties and tasks defines what jobs the stakeholders are supposed to do and how those jobs are linked to each other. The governance structure is graphically represented as a project organizational chart.
- **Performance Measures.** A list of performance criteria along with the acceptance criteria are to be designed to determine how to measure project performance and how to define whether the deliverables are produced as desired.

PROJECT APPRAISAL

4. Project Proposal

- **Proposal.** After the Concept is analyzed and explained and the Project Organization is charted, it is time to make a summary of the whole apprising process trough develop the Project Appraisal. This document aims to determine that the proposed project is worth pursuing.
- **Approval and Signoff.** the senior management team needs to approve the Project Appraisal and announce the formal signoff, which means the project is verified and proceeds to planning and development.

Thankyou