

# Project Management

## PMI / College of Performance Management

October 29, 2009

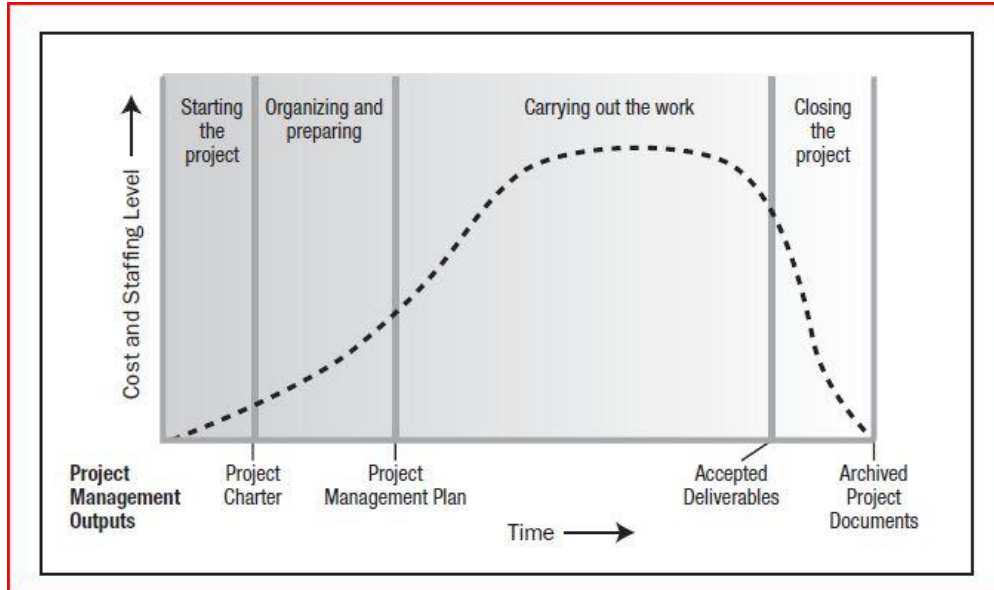
*Joe Houser / Matt Schneble*

[jrhouser@kmsystemsgroup.com](mailto:jrhouser@kmsystemsgroup.com)

*301-529-6697*

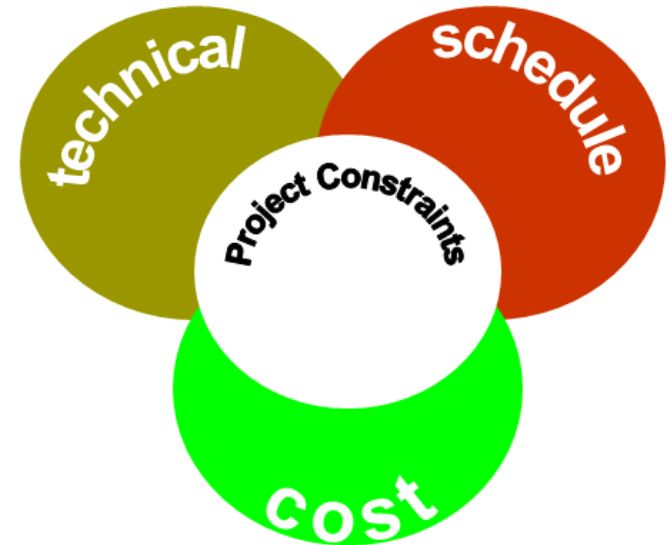
- **Characteristics of a Project Life Cycle**

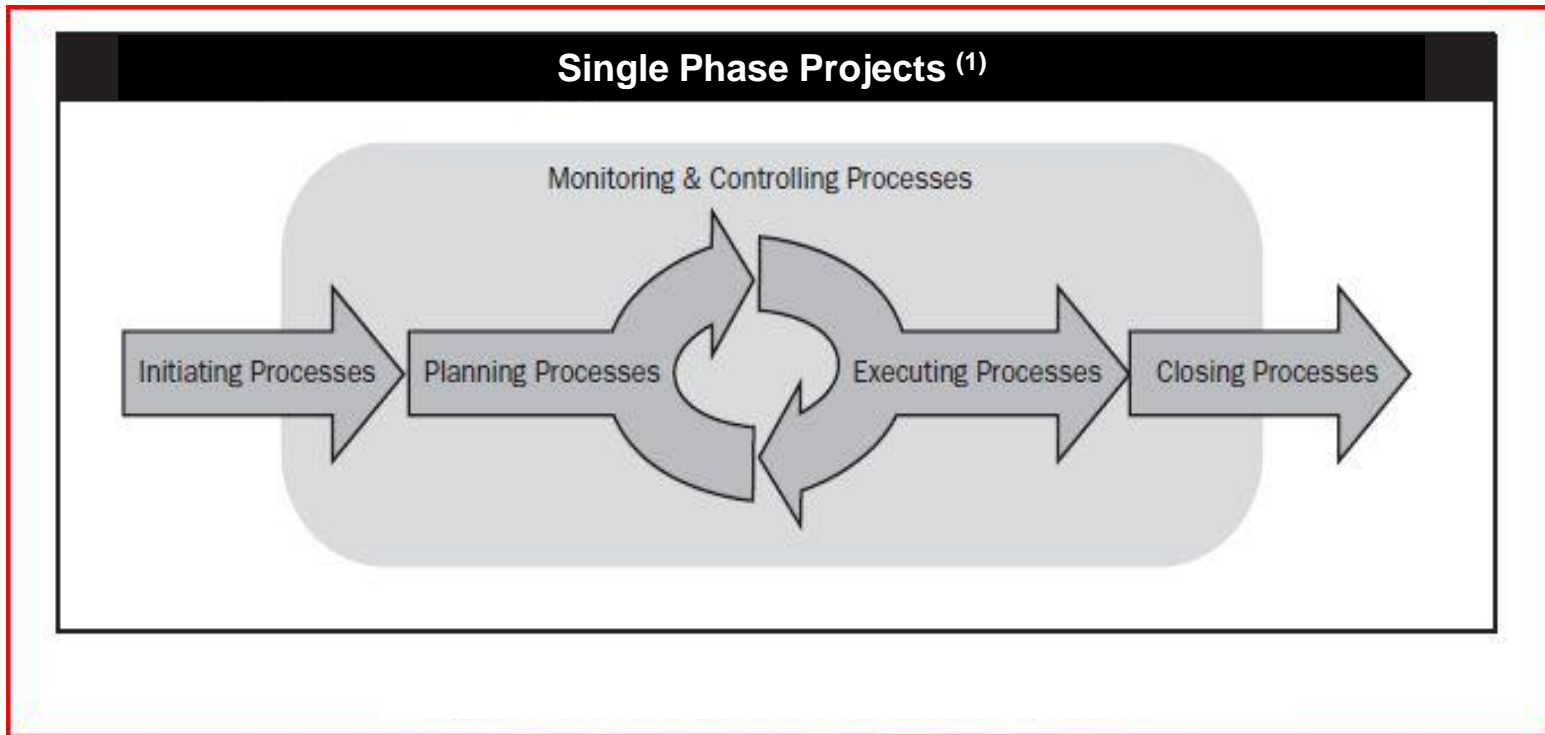
- **Projects can vary in size and complexity, but all projects can be mapped to the following life cycle structure:**
  - **Starting the project,**
  - **Organizing and preparing,**
  - **Carrying out the project work, and**
  - **Closing the project**



**Typical Cost and Staffing Levels Across the Project Life Cycle <sup>(1)</sup>**

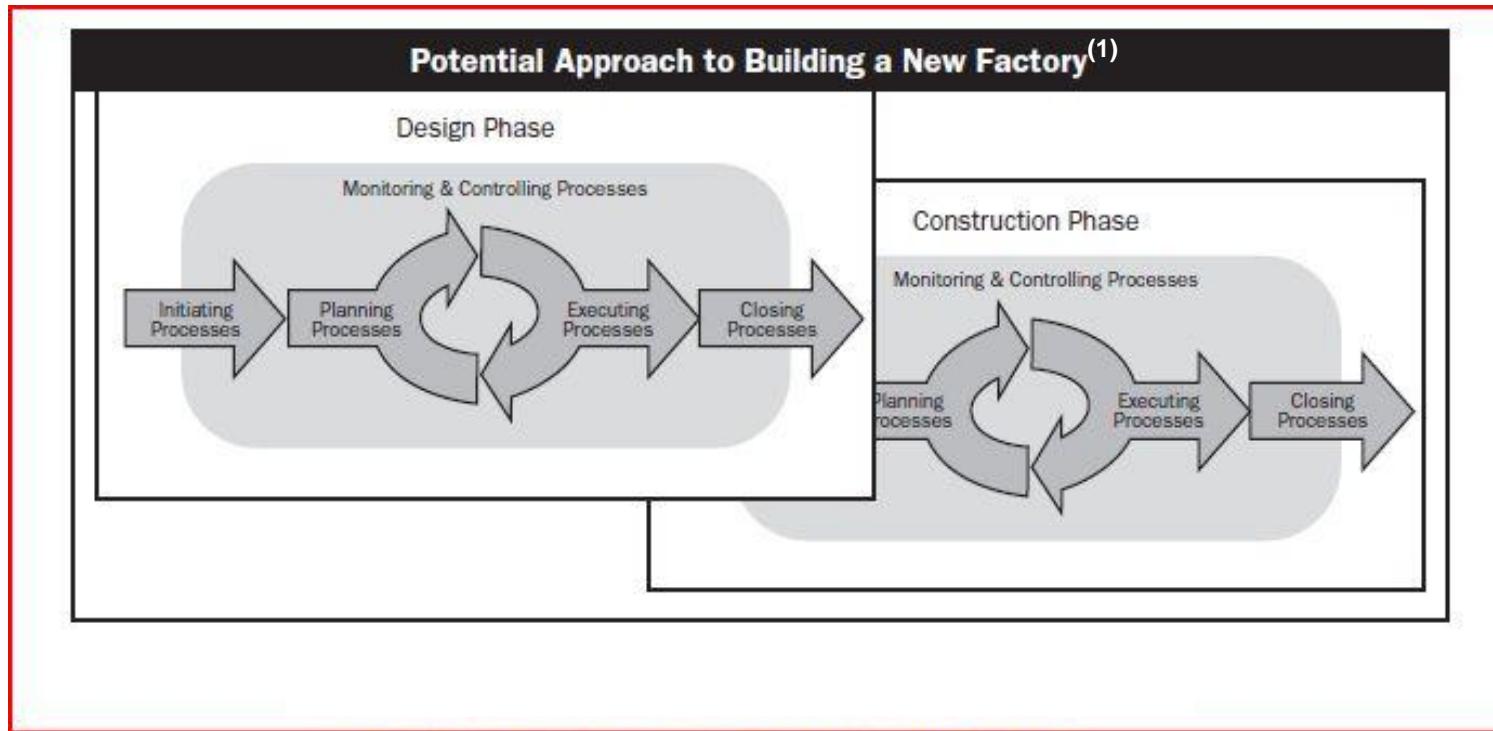
(1) PMI / PMBOK





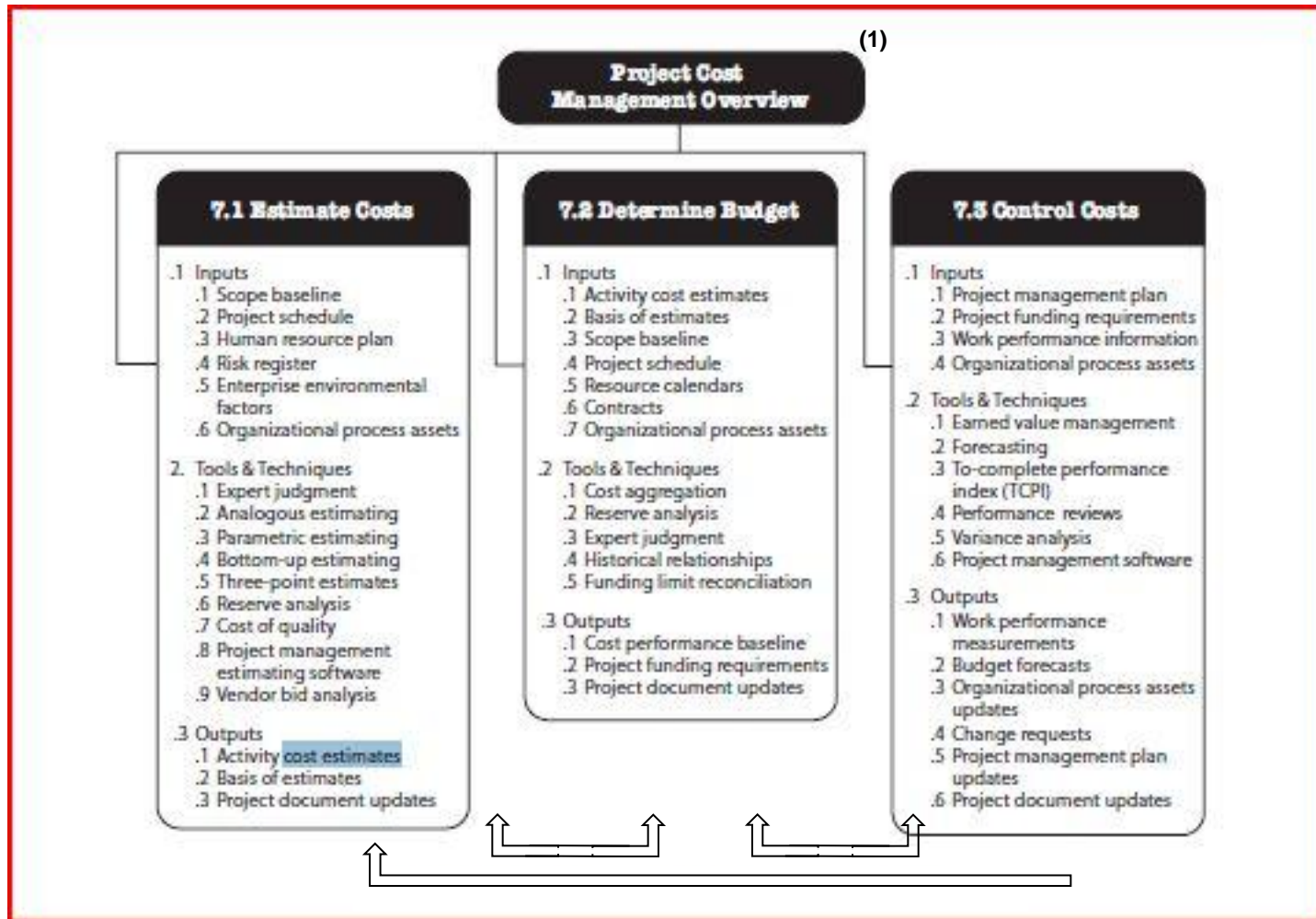
(1) PMI PMBOK

**Few projects are standalone sequential projects**



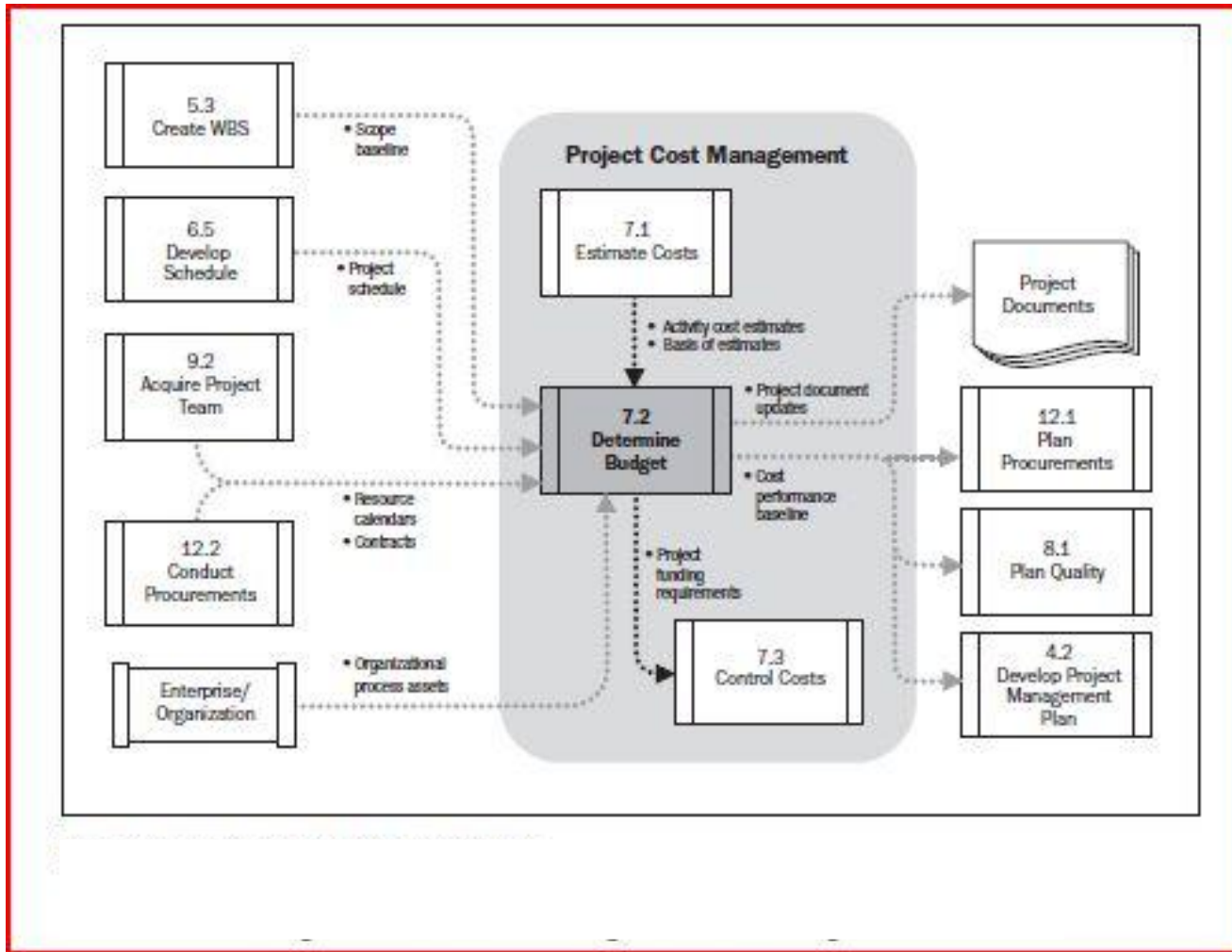
(1) PMI PMBOK

**Effective Project Management usually involves multiple min-projects that requires tailoring and customization**



(1) PMI PMBOK

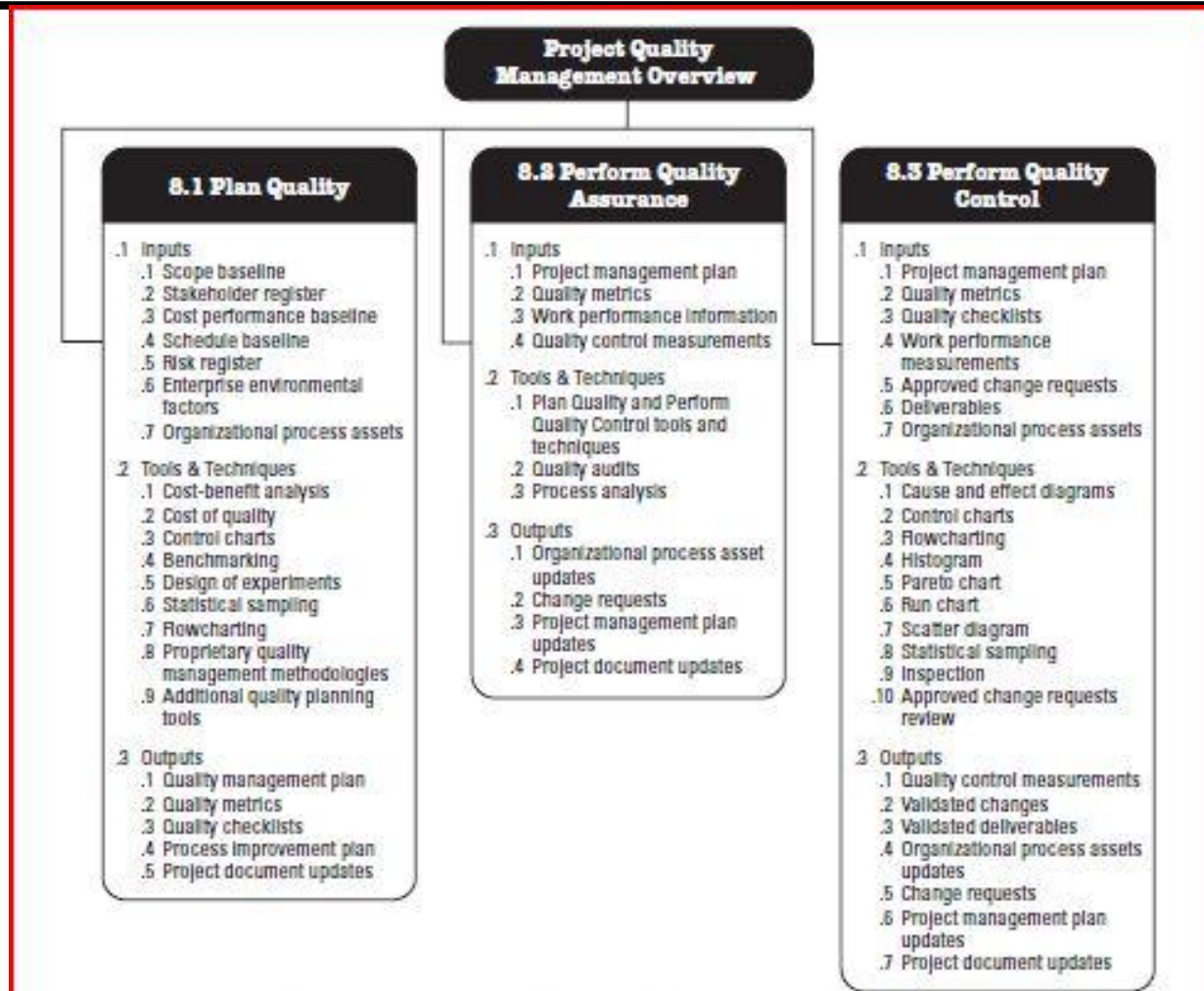
**Managing large complex projects with effective project management tools and techniques results in lower project costs**



(1)

(1) PMI PMBOK

**Budget tools and techniques can significantly impact project profitability**



(1)

(1) PMI  
PMBOK

**Cost management has to be integrated with quality management**

## CONTRACT TYPES <sup>(1)</sup>

Contract Type	Description
<b>Fixed-Price Contracts</b>	Contract involves setting a fixed total price for a defined product or service to be provided. <b>Subtype:</b> <ol style="list-style-type: none"> <li>1. Firm Fixed Price Contracts (FFP)</li> <li>2. Fixed Price Incentive Fee Contracts (FPIF)</li> <li>3. Fixed Price with Economic Price Adjustment Contracts (FP-EPA)</li> </ol>
<b>Cost-reimbursable Contracts</b>	Contract involves payments (cost reimbursements) to the seller for all legitimate actual costs incurred for completed work, plus a fee representing seller profit. <b>Subtype:</b> <ol style="list-style-type: none"> <li>1. Cost Plus Fixed Fee Contracts (CPFF)</li> <li>2. Cost Plus Incentive Fee Contracts (CPIF)</li> <li>3. Cost Plus Award Fee Contracts (CPAF)</li> </ol>
<b>Time and Material Contracts (T&amp;M)</b>	Time and material contracts are a hybrid of contractual arrangements that contain aspects of both cost-reimbursable and fixed-price contracts.

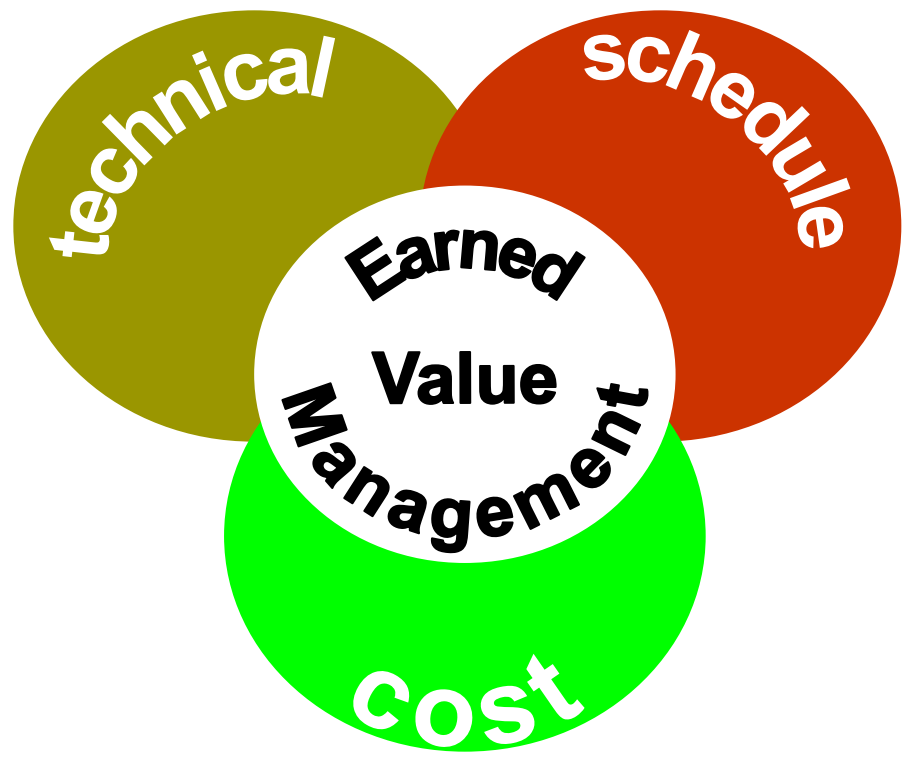
(1) PMI PMBOK

**Cost management includes selecting the correct contract type for the project**

**Earned Value Management (EVM)** is the systematic integration and measurement of cost, schedule, and technical (scope) accomplishments for a project. It is process for planning, tracking, and reporting work accomplished relative to budget and actual cost incurred.

## A Program Management Technique

- Focuses on integration of *Quality Technical Performance* with associated *Work Accomplished, Cost incurred, & Schedule Performance*
- Objectively Measures work planned, work accomplished, and cost incurred
- States Performance metrics in currency (\$)
- Provides Trend Analysis useful for schedule and cost performance projections



**Integration of project management tools and techniques provides project solutions at a lower cost**

## This example is for a firm fixed price contract

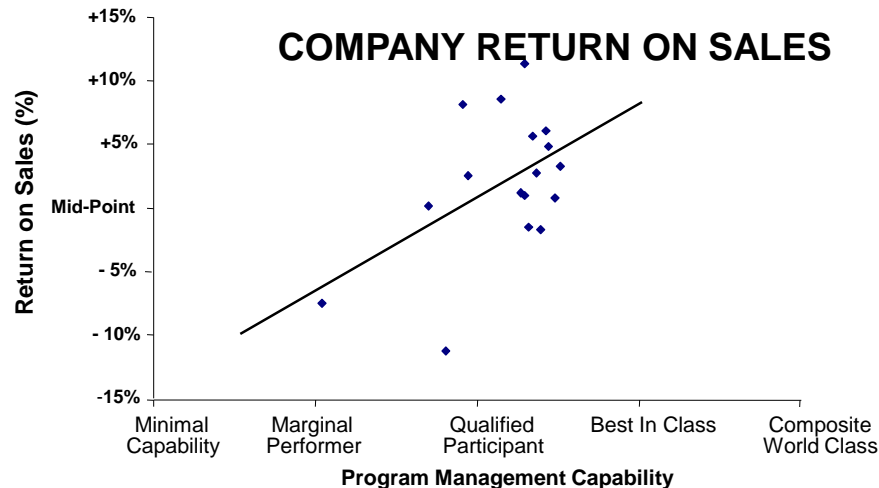
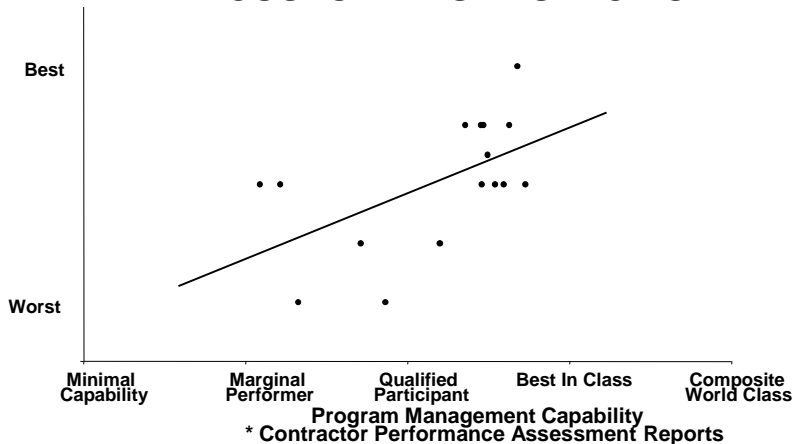
Performance Based Payments Milestones and Verification Methods										
Perf Based Payments based on \$111M as defined in draft MOD 9										
Event Descriptions:										
Event No.	Event	Submission Dates	Event	Accomplishment Expected	Method of Verification	Invoice Artifact	Verification Owner	Event Value \$Ms PBP	Event Value % PBP	% of 111
E-2-1	B024	<b>Final</b> Contract Negotiated	Contract signing	Specification and schedule	Written Acceptance	Copy of Contract	Steve Hans	\$5.0	4.2%	4.5%
E-2-2	C007	Equip installation (9/23/09)	Site 1 construction complete	Acceptance of Equip	Written Acceptance	Copy of acceptance correspondence	Bill Constant	\$6.5	5.5%	5.9%
E-2-3	B017	Site 2 design review (9/16/02)	Final Site 2 Design Complete	Acceptance of Final Site Design	Written Acceptance	Copy of acceptance correspondence	Steve Hans	\$2.5	2.1%	2.3%

Events are well defined with methods of verification, verification owner, and amounts

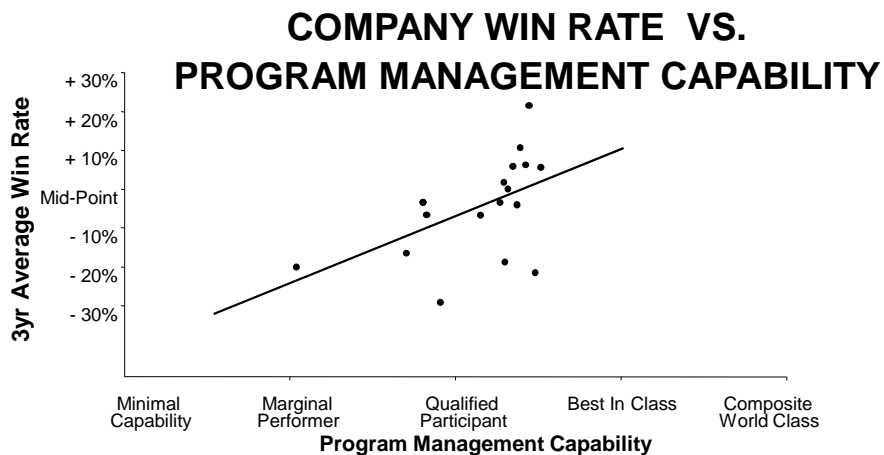
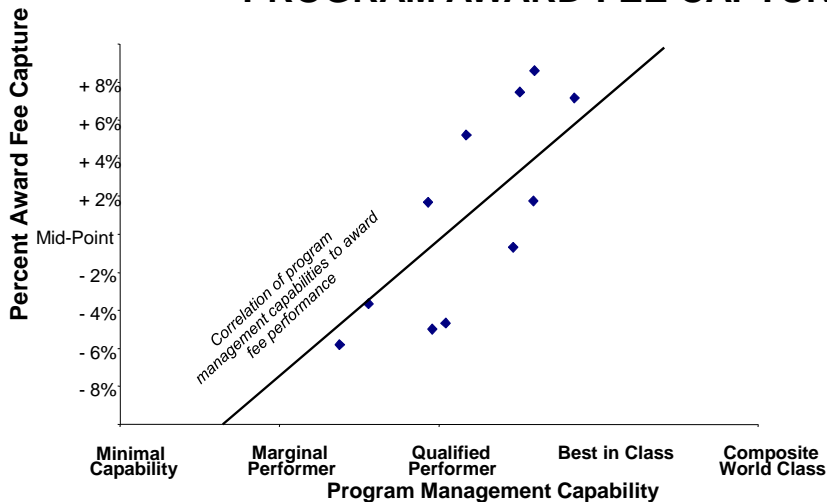
Planned events are expressed as planned or budgeted values as a percent (%) of total contract value

# Studies have found that improving project management improves project performance metrics

## CUSTOMER SATISFACTION



## PROGRAM AWARD FEE CAPTURE



Source: 00-Mar 21 DCMC Conference

## International Project Management 2009

### 21st International Integrated Program Management Conference

November 2-4, 2009, Hilton Alexandria Mark Center, Alexandria, VA

*"Putting the PM Back into the Process"*

Co-sponsored by NDIA, PMI-CPM and SCEA

Hotel Information Reservations: 703-845 1010



## Professional Education Program Training Seminars include the principles of:

- CPM 100 Project Management
- CPM 200 Schedule Management
- CPM 300 Earned Value Management
- CPM 400 EV Metrics and Analysis
- CPM 500 Technical & Risk Management
- CPM 600 Project Management Integration

## Project Management 2010

### Regional Conferences

- Panama
- Costa Rica
- Guatemala

### Webinars



## Summary

- **Project management tools and techniques results in lower cost projects and increased profit**
- **PMI PMBOK is a proven and trusted methodology**
- **Implementing project management smartly and quickly reduces cost of project management**
- **Project Management Education offerings are readily available**