Project Management for Small Business

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Objectives

- Project Management Overview
- Successful Project Fundamentals
- Additional Training Resources
Project Management Overview
What is a Project?

- A “temporary” effort undertaken to create a unique product or service.
- Large or small, a project always has the following elements:

- **Schedule:** Start, End Dates
- **Product:** Outcomes, Results
- **Resources:** People, Funds, Equipment, Facilities, Information
What is Project Management?

- The management of activities concerned with achieving a set of specific goals.

- Responsibilities:
  - Determining project goals
  - Managing budgets and resources
  - Reporting Progress
  - Evaluating efficiency and effectiveness
Why use Project Management?

- Improved communication among the project team
- Increased understanding of the project and its purpose
- Clarification of, and alignment with organizational goals
- Prioritization of functional and project activities
- And many, many more!
The Project Team

- **Functional Managers**
  - Organization managers responsible for activities and resources in a specialized department or function.

- **Team Members**
  - Internal organizational owners of the project whom establish project priority within their organization and hold a majority of the resources for its success.

- **Project Participants**
  - Parties involved in or being affected by the project activities.

- **Stakeholders**
  - Individuals either needed to support the project, or who will be affected by the project.

- **Project Manager**
  - Individual with authority and responsibility for delivering the documented project requirements on time and within budget.
Project Phases and the Project Life Cycle

Cost and Staffing Level

Start ------------------------Finish

Completion Level
Successful Project Fundamentals
Project Scope

- Baseline for measuring a project’s size, cost, and timelines
- Developed by project managers using stakeholder and team member input
- Written statement including:
  - Project Description and Goals
  - Project Constraints
  - Project Assumptions
Project Description

- Written document
- High level project overview
- Identifies project owners and/or stakeholders
- May include goals
Project Goal

Requirements

- Serve a business purpose
- Demonstrate benefits to the organization or project owner
- Align with business goals
- S.M.A.R.T.
  - Specific
  - Measurable
  - Acceptable
  - Realistic
  - Time sensitive
Project Constraints

Examples:

- The budget may be smaller than anticipated.
- Resources may not be readily available.
- The project schedule may be escalated.
- Contract terms may be too specific.
Project Assumptions

Examples:

- The business units support the project.
- Project team members will focus on project completion.
- The budget will be sufficient for necessary resources.
Project Stakeholders

- A person, group, or authority that has a “stake” in the project.

- Key Stakeholders:
  - Project Manager
  - Client
  - Functional Managers
  - Sponsor
Project Goal: Bake Cake
1 month to complete

Activity 1: Ingredients, Supplies
3 wks to complete
  Task 1: Research
  2 weeks
  Task 2: Purchase
  1 day
  Task 3: Receiving
  6 days

Activity 2: Bake/Decorate
2 days to complete
  Task 1: Mix
  1 hour
  Task 2: Bake
  2 hours
  Task 3: Frosting/Flowers
  4 hours
  Task 3: Clean Up
  4 hours
Project Milestones

Milestone 1: Cake Mix Prepared
Milestone 2: Cake Baked
Milestone 3: Cake Delivered
Milestone 4: Payment/ Project Complete

Activities required to move from one milestone to another
Budgets

- **Direct Costs**
  - Expenditures used solely to perform project activities
    - **Example:** Salaries of people on the project, materials, supplies, and equipment bought for your project

- **Indirect Costs**
  - Expenditures incurred to support project activities
    - **Example:** Overhead costs – office space rent and office supplies
    - **Example:** Administrative costs – accounting and legal service fees
Budgeting Process

- **Conceive**
  - Develop a rough estimate.

- **Define**
  - Develop a detailed budget estimate.

- **Start**
  - Review the project budget after personnel and resources are assigned.

- **Perform and Close**
  - Identify situations that may require changes to the approved project budget.
Managing a Budget

Tips for Success:

- Spend each dollar as your own
- Don’t cut corners
- Research decisions
- Monitor project phases
- Have a contingency plan
Planning the Project Team

- Choose individuals with the correct skills and knowledge.
- Recruit people that have the authority to complete the tasks assigned.
- Select individuals with time available and Functional Manager support.
Risks

Common sources of risk include:

- Changes in project requirements
- Design errors or misunderstandings
- Poorly defined or understood roles and responsibilities
- Insufficiently skilled staff
Risk Management Plan

Include the following:

- A description of the risks
- An analysis of the chances the risk will occur and its impact
- An explanation of how you plan to manage each risk
- Details of how you plan to keep your project team informed of the risk status throughout the project
Project Control

- Status Reports
- Gantt Charts
- Pert Charts
Gantt Chart Example

<table>
<thead>
<tr>
<th>Task</th>
<th>Artist</th>
<th>November</th>
<th>December</th>
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<tbody>
<tr>
<td>Brainstorm</td>
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<tr>
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<tr>
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<tr>
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<td>Craig</td>
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<td><img src="#" alt="Timeline" /></td>
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<tr>
<td>Video Presentation</td>
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<tr>
<td>Editing</td>
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<tr>
<td>Audio</td>
<td>Jeff</td>
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<td><img src="#" alt="Timeline" /></td>
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<tr>
<td>Animation</td>
<td>Matt</td>
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<tr>
<td>Final Editing</td>
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<tr>
<td>Preliminary</td>
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<tr>
<td>Final Presentation</td>
<td>Kevin</td>
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<td><img src="#" alt="Timeline" /></td>
</tr>
</tbody>
</table>

Legend:
- **Vertical Axis**: Tasks
- **Horizontal Axis**: Time Span (Year, Month, Day)
- **Resources**: Graph Area
- **Dependencies**: Start and End symbols
- **Status**: Milestone
- **Graph Area**: Horizontal connector
PERT Chart Example

<table>
<thead>
<tr>
<th>Activity Description and Identifier</th>
<th>Earliest Start</th>
<th>Duration</th>
<th>Earliest Finish</th>
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<tbody>
<tr>
<td>Activity A</td>
<td>0</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Activity C</td>
<td>5</td>
<td>4</td>
<td>9</td>
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Key

<table>
<thead>
<tr>
<th>Earliest Start</th>
<th>Duration</th>
<th>Earliest Finish</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latest Start</td>
<td>Float</td>
<td>Latest Finish</td>
</tr>
</tbody>
</table>

0 5 5

Activity A

5 4 9

Activity C
Project Completion

- Complete all unfinished tasks or activities
- Obtain sign-off
- Reconcile all project transactions
- Announce project completion to all team members
- Acknowledge all team members’ contributions with a celebration
Lessons Learned

- Questions to ask:
  - Did you spend enough time writing the project plan?
  - Were your goals realistic?
  - Did you involve the right people?
  - Was your schedule reasonable?

- Documents to keep:
  - Resource names, numbers, and costs
  - A copy of the project plan and scope documents
  - A copy of the Risk Identification Plan
Potential Pitfalls

- Not involving all key project audiences
- Vague objectives
- Vague or nonexistent role and responsibility definitions
- Incomplete and inaccurate schedules and resource needs
- Not identifying and sharing key project assumptions
- Not writing down key information
- Not holding people accountable for performance
- Not anticipating and planning for risks and uncertainties
- Poor team communications
- Weak team leadership
- Inconsistent upper management support
- Lack of commitment by all team members to the project’s success
Additional Small Business Learning Resources

Visit the Small Business Learning Center at http://selltoairforce.org/sell2af_sblc/ for additional training opportunities!!