Session 2 Project initiation and scoping

Project initiation
- Statement of work (SOW)
- Project charter

Define project scope
- Create project scope statement
- Establish priorities

LO
- You should be able to distinguish between different project initiation documents e.g. project charter, statement of work (SOW) and scope statement and understand their relationship with each other.
- You should be able to follow certain steps using "project scope statement checklist" to come up with project scope.
- You should be able to set the project priorities by understanding the project scope and stakeholders' requirements.

PROJECT INITIATION
- I.   Statement of work (SOW)
- II.   Project charter

Project initiation context: Organization leaders initiate projects in response to factors acting upon their organisations. These four fundamental categories illustrate the context of a project
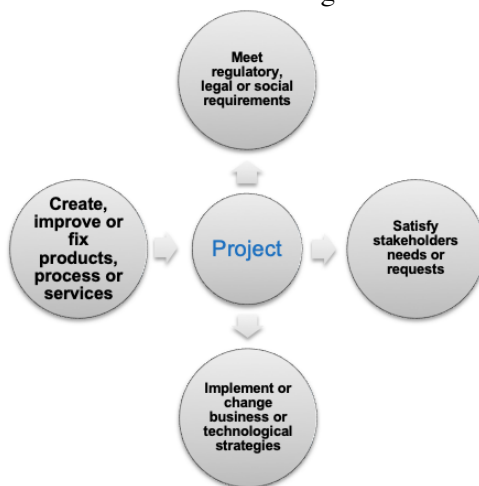
Statement of Work (SOW)
- – A **detailed narrative description** of the work required for a project/ contract
- – A good SOW gives bidders/project team a better understanding of the buyer's expectations
- – **For internal project,** sponsor or initiator provides SOW to project team
- – **For external project**, customer provides SOW as part of a bid document (example: Request for proposal-RFP, request for information-RFI, request for bid-RFB)

Statement of work (SOW) template
- **Objectives:** Describe the work to be done to detail. Specify the exact nature of the work.
- **Location of Work:** Describe where the work must be performed. Specify the location where the people must perform the work
- **Period of Performance:** Specify when the work is expected to start and end, working hours, number of hours that can be billed per week, and related schedule information.
- **Deliverables Schedule:** List specific deliverables, describe them in detail, and specify when they are due.
- **Applicable Standards:** Specify any company or industry-specific standards that are relevant to performing the work.
- **Acceptance Criteria:** Describe how the buyer organization will determine if the work is acceptable.
- **Special Requirements:** Specify any special requirements such as hardware or software certifications, minimum degree or experience level of personnel, travel requirements, and so on.

Project proposals
- **Sources and solicitation of project proposals**
  - – Within the organisation
  - – Request for proposal (RFP) from external sources (contractors and vendors)
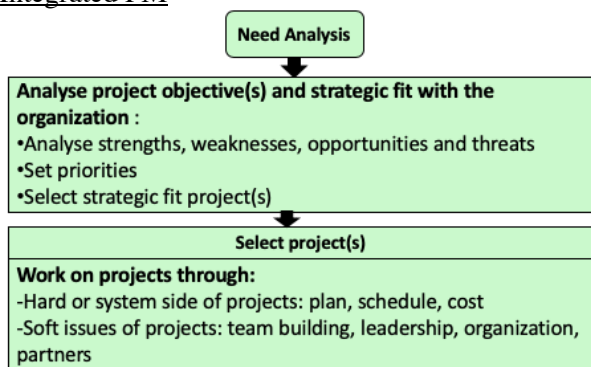- **Ranking proposals and selection of projects**

- Prioritising requires discipline, accountability, responsibility, constraints, reduced flexibility, and loss of power
- **Managing the portfolio**
  - Senior management input
  - The priority team (project office) responsibilities

Integrated management

Integrated PM

Benefits of an integrative approach

- Integration of project management provides senior management with:
  - an overview of all project management activities
  - a big picture of how organisational resources are used
  - a risk assessment of their portfolio of projects
  - a rough metric of the firm's improvement in managing projects relative to others in the industry
  - linkages of senior management with actual project execution management

PROJECT CHARTER

- A well-defined document that formally authorises the existence of a project and provides the project manager with the authority to apply organisational resources to project activities to initiate and lead the project (PMBOK, 6th Ed., Page 70)
- Or, it could be an expanded version of the scope statement, that might include such items as risk limits, customer needs, spending limits, and even team composition (Larson et al. 2014)
- An approved project charter formally initiates the project.
- Chartering a project validates alignment of the project to the strategy and ongoing work of the org.
- Ideally, a project manager is identified and assigned as early in the project- preferably while the charter is being developed
- A project charter is not a contract, because there is no consideration or money promised or exchanged in its creation.

Development of project charter

- Development of project charter needs:
  - **Inputs from project sponsor/initiator**: SOW (business need, scope, strategic plan), business case, agreements (contract, MOU etc.)
  - **Enterprise/organisational inputs:**
    - **enterprise factors** (industry standard, quality standards, organisational culture and structure, market condition);
      - Org structure can be hierarchy, matrix or projectised

- **organisational factors** (policies, process- charter template, historical information etc.)
- Video on Project charter: https://www.youtube.com/watch?v=1xhQ6GJB7oY

Project SOW, charter and a preliminary scope statement (Rita's PMP exam prep)
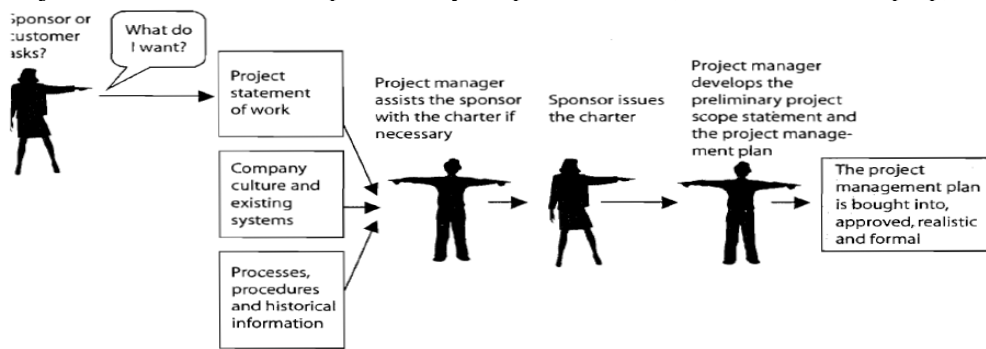
List of project initiation process tasks
- Select project manager
- Determine organisation culture and existing system – an org's mission and vision are the two important factors that shape their internal culture (org culture)
- Collect processes, procedures and historical information
- Divide large projects into phases
- Identify stakeholders
- Document business need
- Determine project objectives
- Document assumptions and constraints
- Develop project charter
- Work on developing a scope statement

Project planning: tasks
- Create project scope statement
- Establish priorities
- Creating the Work Breakdown Structure (WBS)
- Create activity list

i.   **PROJECT SCOPE**
- **Project Scope**
  – A definition of the end result or mission of the project —a product or service for the client/customer —in specific, tangible, and measurable terms.
- **Purpose of the Scope Statement**
  – To clearly define the deliverable(s) for the end user.
  – To avoid costly misunderstandings and avoid scope creep
  – To be used by the project owner and participants as a planning tool and for measuring project success.

Project scope checklist
I.   **Project objective-** overall project objective to meet customer demand/need
II.   **Deliverables**- expected outputs over the life of the project
III. **Milestones**- is a significant event in a project that occurs at a point in time
IV.   **Technical requirements-** a product or service will have technical requirements to ensure proper performance
V.   **Limits and exclusions**
VI.   **Reviews with customer-** Completion of the scope checklist ends with a review with your customer—internal or external

Scope statement (SMART)
- **Objective:** To construct a high-quality, custom home within five months at cost not to exceed $950,000.
- **Deliverables**: A 2200 sq. ft, 2 bath, 3-bedroom, finished home, finished garage. Gas furnace, kitchen appliances.
- **Milestones**: Permit approved: March 5, Foundation poured – March 14, Plumbing, electrical & mechanical inspection passed- May 25, Final inspection- June 7.
- **Technical requirements**: must meet local building code, garage will accommodate two large-size cars, structure must pass seismic stability code, floor insulation, ceiling insulation…
- **Limits and Exclusions**: Owner responsible for landscaping, air conditioning is not included, home will be built to the specifications and design of the original plan provided by the customer
- Customer Review: Mr.. Ms..