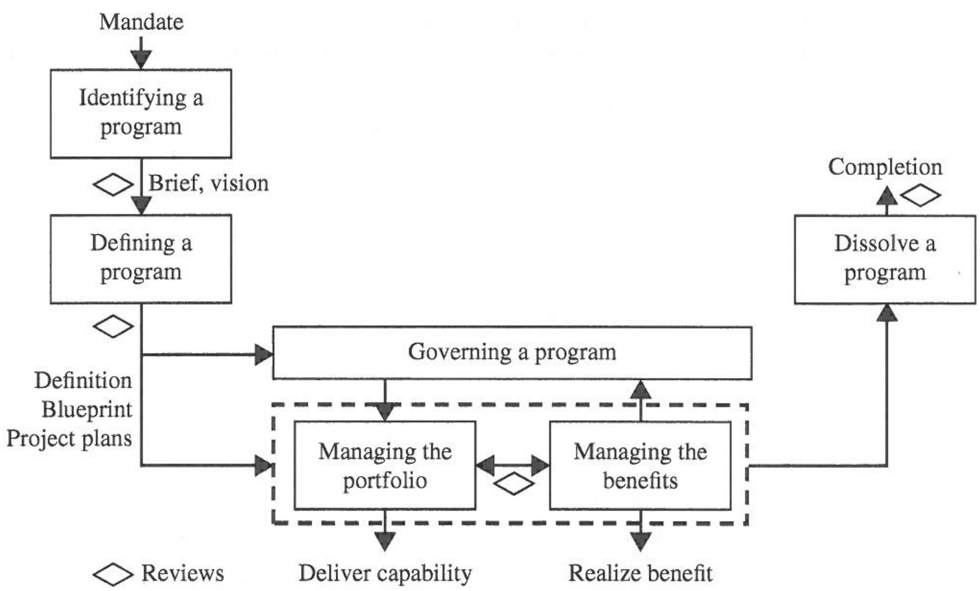

FIGURE 15.6 A program process.

15.3 THE PROJECT

Figure 1.4 shows the five-stage project process used throughout this book:

Concept. In reality this stage lasts no time, and is in fact almost just a milestone, an initial end-of-stage review to decide whether to take the project to feasibility. Somebody, the project sponsor, has an idea that there is something the organization can do to achieve performance improvement. The organization can develop a new asset, the project's output, that will give the organization new competencies. The operation of those new competencies will achieve the performance improvement and provide the organization with benefit. The understanding of the costs and benefits will be fairly coarse at this stage (see below). The estimate corresponds to the proposal estimate in Fig. 12.2, and the end-of-stage review will allow the organization to progress to the feasibility study.

Feasibility. A small amount of money is spent to gather data to explore the technical and commercial feasibility of the concept, which allows the accuracy of the estimates to be improved. The estimate now corresponds to the budget estimate in Fig. 12.2. The end-of-stage review allows the project to progress to design.

Design. Now the systems design is produced, and from that the sanction estimate developed. Based on the sanction estimate, finance can be raised to undertake the work of the project proper to deliver the new asset, the project's output. The investment decision is taken at the end-of-stage review.

Execution. The main work of the project is done to deliver the asset. At the start of this stage, detailed design is done to produce the control estimate. The end-of-stage review means we are ready for commissioning.

Closeout. The work of the project is finished, with all the loose ends completed. The new asset is tested and commissioned so that it is working to produce the new competencies, the project's output.