

CHAPTER

ONE

# 1

## Modern Project Management

### LEARNING OBJECTIVES

After reading this chapter you should be able to:

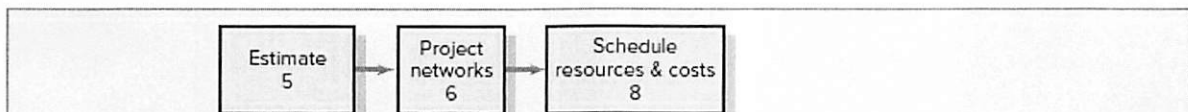
- 1-1 Understand why project management (PM) is crucial in today's world.
- 1-2 Distinguish a project from routine operations.
- 1-3 Identify the different stages of a project life cycle.
- 1-4 Describe how Agile PM is different from traditional PM.
- 1-5 Understand that managing projects involves balancing the technical and sociocultural dimensions of the project.

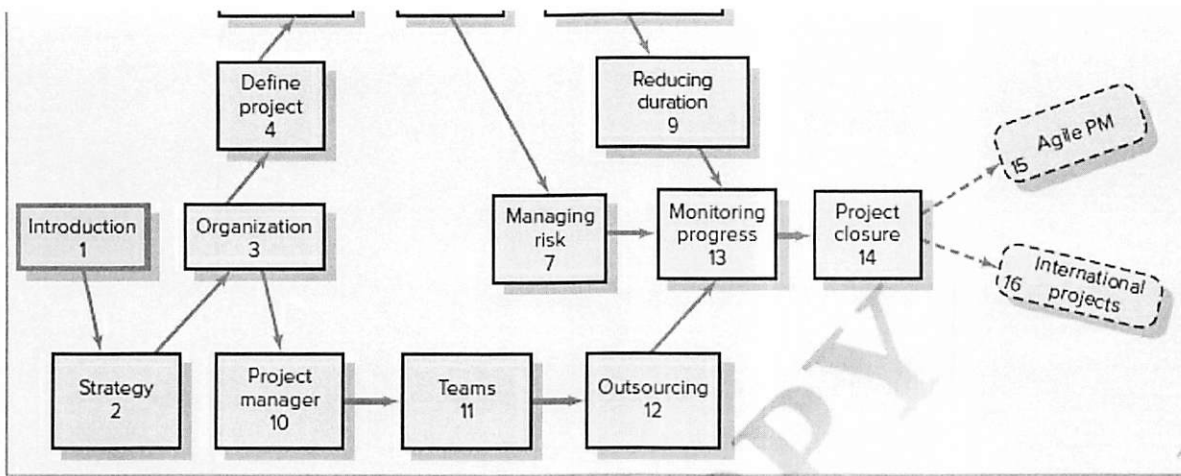
### OUTLINE

- 1.1 What Is a Project?
- 1.2 Agile Project Management
- 1.3 Current Drivers of Project Management
- 1.4 Project Management Today: A Socio-Technical Approach

Summary

Text Overview





*All of mankind's greatest accomplishments—from building the great pyramids to discovering a cure for polio to putting a man on the moon—began as a project.*

## LO 1-1

Understand why project management (PM) is crucial in today's world.

This is a good time to be reading a book about project management. Business leaders and experts have recognized that project management is critical to sustainable economic growth. New jobs and competitive advantage are achieved by constant innovation, developing new products and services, and improving both productivity and quality of work. This is the world of project management. Project management provides people with a powerful set of tools that improves their ability to plan, implement, and manage activities to accomplish specific objectives. But project management is more than just a set of tools; it is a results-oriented management style that places a premium on building collaborative relationships among a diverse cast of characters. Exciting opportunities await people skilled in project management.

The project approach has long been the style of doing business in the construction industry, U.S. Department of Defense contracts, and Hollywood, as well as big consulting firms. Now project management has spread to all avenues of work. Today, project teams carry out everything from port expansions to hospital restructuring to upgrading information systems. They are creating next-generation fuel-efficient vehicles, developing sustainable sources of energy, and exploring the farthest reaches of outer space. The impact of project management is most profound in high-tech industries, where the new folk heroes are young professionals whose Herculean efforts lead to the constant flow of new hardware and software products.

Project management is not limited to the private sector. Project management is also a vehicle for doing good deeds and solving social problems. Endeavors such as providing emergency aid to areas hit by natural disasters, devising a strategy for reducing crime and drug abuse within a city, or organizing a community effort to renovate a public playground would and do benefit from the application of modern project management techniques.

Perhaps the best indicator of demand for project management can be seen in the rapid expansion of the Project Management Institute (PMI), a professional organization for project managers. PMI membership has grown from 93,000 in 2002 to more than 565,000 in 2019. See Snapshot from Practice 1.1: The Project Management Institute for information regarding professional certification in project management.

It's nearly impossible to pick up a newspaper or business periodical and not find something about projects. This is no surprise! Approximately \$2.5 trillion (about 25 percent of the U.S. gross national product) is spent on projects each year in the United States alone. Other countries are increasingly spending more on projects. Millions of people around the world consider project management the major task in their profession.

### SNAPSHOT FROM PRACTICE 1.1

#### The Project Management Institute\*

The Project Management Institute (PMI) was founded in 1969 as an international society for project

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managers. Today PMI has members from more than 180 countries and more than 565,000 members. PMI professionals come from virtually every major industry, including aerospace, automotive, business management, construction, engineering, financial services, information technology, pharmaceuticals, healthcare, and telecommunications.

PMI provides certification as a **Project Management Professional (PMP)**—someone who has documented sufficient project experience, agreed to follow the PMI code of professional conduct, and demonstrated mastery of the field of project management by passing a comprehensive examination based on the Project Management Body of Knowledge (PMBOK), which is in its 6th edition. The number of people earning PMP status has grown dramatically in recent years. In 1996 there were fewer than 3,000 certified Project Management Professionals. By 2019 there were more than 910,000 PMPs.

Just as the CPA exam is a standard for accountants, passing the PMP exam may become the standard for project managers. Some companies are requiring that all their project managers be PMP certified. Moreover, many job postings are restricted to PMPs. Job seekers, in general, are finding that being PMP certified is an advantage in the marketplace.

PMI added a certification as a *Certified Associate in Project Management (CAPM)*. CAPM is designed for project team members and entry-level project managers, as well as qualified undergraduate and graduate students who want a credential to recognize their mastery of the project management body of knowledge. CAPM does not require the extensive project management experience associated with the PMP. In fact, students often qualify for taking the CAPM exam by taking a course on project management. For more details on PMP and CAPM, google PMI to find the current website for the Project Management Institute.

This text provides a solid foundation for passing either exam. However, we personally found it necessary to study a good PMP/CAPM exam "prep book" to pass the exam. This is recommended, given the format and nature of the exam.

\*PMI Today, March 2019, p. 4.

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Most of the people who excel at managing projects never have the title of project manager. They include accountants, lawyers, administrators, scientists, contractors, coaches, public health officials, teachers, and community advocates whose success depends upon being able to lead and manage project work. For some, the very nature of their work is project driven. Projects may be cases for lawyers, audits for accountants, events for artists, and renovations for contractors. For others, projects may be a small but critical part of their work. For example, a high school teacher who teaches four classes a day is responsible for coaching a group of students to compete in a national debate competition. A store manager who oversees daily operations is charged with developing an employee retention program. A sales account executive is given the additional assignment of team lead to launch daily deals into a new city. A public health official who manages a clinic is also responsible for organizing a Homeless Youth Connect event. For these and others, project management is not a title but a critical job requirement. It is hard to think of a profession or a career path that would not benefit from being good at managing projects.

Not only is project management critical to most careers, but also the skill set is transferable across most businesses and professions. Project management fundamentals are universal. The same project management methodology that is used to develop a new product can be adapted to create new services, organize events, refurbish aging operations, and so forth. In a world where it is estimated that each person is likely to experience three to four career changes, managing projects is a talent worthy of development.

The significance of project management can also be seen in the classroom. Twenty years ago major universities offered one or two classes in project management, primarily for engineers. Today most universities offer multiple sections of

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