

OPENING CASE

Juan Gonzales was a systems analyst and network specialist for the waterworks department of a major Mexican city. He enjoyed helping the city develop its infrastructure. His next career objective was to become a project manager so he could have even more influence. One of his colleagues invited him to attend an important project review meeting for large government projects, including the Surveyor Pro project, in which Juan was most interested. The Surveyor Pro project was a concept for developing a sophisticated information system that included expert systems, object-oriented databases, and wireless communications. The system would provide instant, graphical information to help government surveyors do their jobs. For example, after a surveyor touched a map on the screen of a handheld device, the system would prompt the surveyor to enter the type of information needed for that area. This system would help in planning and implementing many projects, from laying fiber-optic cable to installing water lines.

Juan was very surprised, however, that the majority of the meeting was spent discussing cost-related issues. The government officials were reviewing many existing projects to evaluate their performance and the potential impact on their budgets before discussing funding for any new projects. Juan did not understand many of the terms and charts being presented. What was this "earned value" they kept referring to? How were they estimating what it would cost to complete projects or how long it would take? Juan thought he would learn more about the new technologies the Surveyor Pro project would use, but he discovered that the cost estimates and projected benefits were of most interest to the government officials at the meeting. It also seemed that considerable effort would go toward detailed financial studies before any technical work could even start. Juan wished he had taken some accounting and finance courses so he could understand the acronyms and concepts people were discussing. Although Juan had a degree in electrical engineering, he had no formal education in finance and little experience with it. However, if Juan could understand information systems and networks, he was confident that he could understand financial issues on projects as well. He jotted down questions to discuss with his colleagues after the meeting.