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The Project Management Cycle

PROJECT MANAGEMENT FOR DEVELOPMENT ORGANIZATIONS

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A methodology to manage development projects for international humanitarian assistance and relief organizations

PROJECT MANAGEMENT CYCLE

Projects by definition are temporary endeavors made up of a related set of activities undertaken to create a unique product or service within specified requirements. This specific nature of projects makes it easy to stay isolated from it environment focusing solely on the delivery of activities. It is not unusual to see project working hard to accomplish all the tasks and activities designed on the logframe while ignoring the subtle changes that are occurring around its environment.

Development Projects must operate in a broader environment, and project managers need to consider projects within this greater context. To be effective at managing complex situations, project managers need to take a holistic view of the project and understand how it is situated within the larger environment. By taking this holistic view of projects, project managers are better prepared to understand the external factors that will impact the project.

A Project is like a "system" is a dynamic and complex whole, interacting as a structured unit with information flowing between the different elements that compose the system.

Using a system approach for project management is a holistic and analytical approach to solve the complex problems a project will face. As such, the project is a system that has a set of interdependent and temporally interacting phases, all working within an environment to fulfill a purpose. Project management uses system analysis as a problem solving approach, it requires defining the scope of the project, dividing it into its component parts, and identifying and evaluating its problems, opportunities, constraints and needs. The analysis then examines the possible solutions for improving the current situation, identifies an optimum solution and an action plan; and finally, it continuously examines the plan against any changes in the environment.

Traditional methods involve a linear cause and effect relationships. By taking a systems approach, projects can see the whole complex of bidirectional interrelationships. Instead of analyzing a problem in terms of an input and an output, we look at the whole system of

inputs, processes, outputs, feedback, and controls. This larger picture provides more useful results than traditional methods, and allows the project to see change as a continuous process.

The Project Management Ecosystem

Projects don't exist in isolation they are influenced by two strong factors, the internal and external environment. A project depends on three basic components: processes, people and tools, all integrated and influenced by the internal environment (the organization) and an external environment (the world), this is the project ecosystem. The graphic below shows the tight interdependency among these elements:

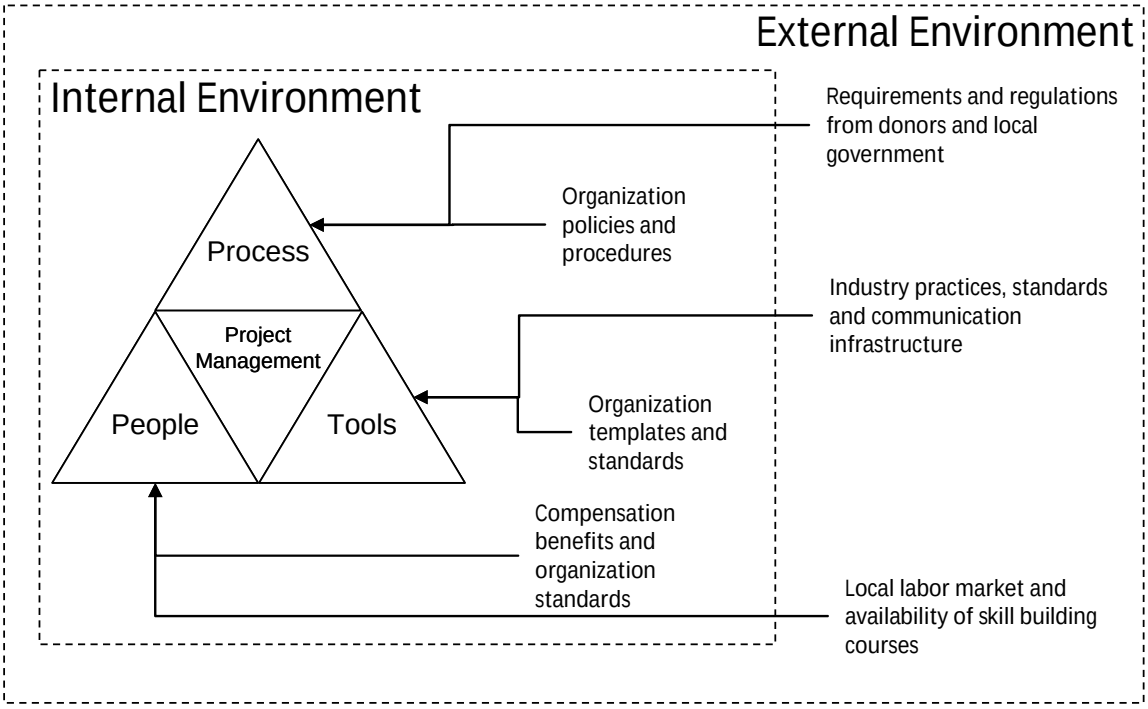

Figure 3.1: The Project Management Ecosystem

Process: the development activities defined in the policies and procedures and the roles and responsibilities required in managing development projects, these include government and donor regulations which heavily influence the project. Processes determine the work that needs to be accomplished which drives the requirements for people skills.

People, the skills and capabilities of the people in charge of managing the project, who need to follow the processes and procedures to ensure quality of the services provided by the organization. The people component is influenced by the compensation and values of the organization and by the external labor market that sets conditions to find qualified staff.

Tools, the techniques and devices selected by the organizations with the aim to facilitate the management of the project, meet its objectives and facilitate its contractual obligations. Among the tools are techniques to control budgets, track project progress and evaluate performance. Tools include the technology available to manage the information the project generates and improve its analysis to allow the project to make the right decisions.

The success of project management depends on the equilibrium of the three components, when one of them fails or doesn't receive the adequate funding or support, the whole system fails. It doesn't do any good to have the tools and processes if the people have not being trained in their use; or vice versa, have the people with the right skills but not provide them with the right tools.

Project Management Phases

Projects operate as part of a system and involve high degrees of uncertainty; by using a holistic approach project managers can integrate all the internal and external issues into their planning. It also helps them see projects as a series of interrelated phases; by doing this project managers have a better job of ensuring project success.

It is a good practice to divide projects into several phases, a project life cycle is a collection of project phases; these phases vary from one industry to another, but in general they include an initiation, planning, implementation, monitoring and close phase. A project must successfully complete each phase before moving onto the next, this approach to project cycle provides better management control and builds the appropriate links with the general environment.

Development project management consists of six phases; initiation, planning, implementation, monitoring, adapting and closure. The

rational behind the use of project management phases is that it supplies for an integrated approach that provide for the continuous identification, selection, implementation, monitoring, evaluation and learning; they help in keeping the project on track and determine if the project should continue, redirected or terminated. Each phase should not be seen as independent from another phase, but as an interdependent continuous management effort; outputs from one phase are used as input for the next phase.

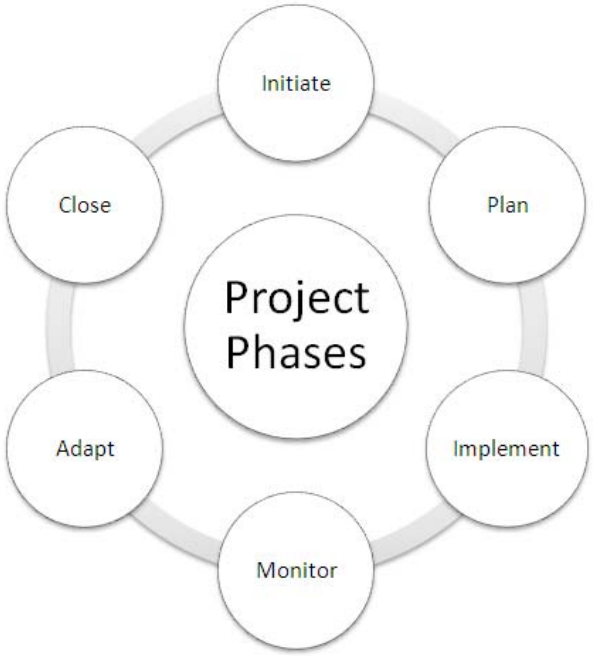

Figure 3.2 Project Management Phases

Depending on the complexity of a project there will be a need to spend more time in the initiating or planning phase, small projects may not require too much time planning.

A good practice is to use each phase as a gate to review how the project is going before moving to the next phase; the review should occur at the end of each phase to evaluate progress and review initial assumptions about the project objectives. These internal project reviews are part of the implementation – monitoring – planning sub-cycle of the project and could occur many times during the life of a project; they are not evaluations, but simple “reality checks” the project manager should do to see if the project needs corrections or not.

Project reviews are important for keeping projects on track and determine if they should be continued, redirected, or terminated. By breaking a project into manageable phases the organization can make sure that the projects are still compatible with the needs of the stakeholders and beneficiaries, it is a feedback loop that operates to keep the project on check.

Project phases relate to each other not on a linear but on a cyclical manner. The monitoring phase informs the implementation and the planning phases for changes and modifications until there are no additional changes and all project deliverables have been completed.

Initiation

This phase is where an idea or a proposal is authorized and funded as a project. It may include some initial planning and estimating to clarify its objective and scope. Usually projects are started by an organization in the form of a proposal or they are initiated by a donor agency by a competitive bidding process or a cooperative agreement. In either case the organization makes a decision to support the project proposal.

During initiation a diagnostic and analysis of the problem has been performed and it delineates the strategies that the project will use to achieve its benefits; additionally, the organization has identified that the project is aligned with the organization's strategies, mission and vision. Major outcomes or decision from this phase is the acceptance of the project concept and approval of the project proposal. This decision is based on an organization's programming principles and/or strategic objectives and takes into consideration available resources, local needs, and government/donor interest.

Authorization of the project concept leads to the development of a formal project proposal; it includes the documentation that supports the requirements of the funding agency. In this phase the project may or may not be approved or accepted, or may require additional analysis or modifications to the proposal; it is not unusual that the donor and the organization engage in long negotiations on the final budget of the project.

The approval of the project proposal is done by the organization (if funds are internal) or the donor when the organization responds to a bidding process such as the RFP (Request for Proposal) or the RFA (Request for Assistance); approval of the proposal opens the project to start the second phase of the project, Project Planning.

Planning

Once the proposal is accepted and funds have been approved the project is finally ready to start. The first step is the development of all project plans, this phase includes two distinct components; the development of plans that are required as part of the proposal – core planning, and the plans to manage the implementation of the project – facilitating planning.

- Enabling plans or core planning includes the detailed planning documents that were initially produced as part of the project proposal. The project manager's first task is to develop in more detail the project plans including the detailed project budget and schedule. Enabling plans are the plans to manage the scope, schedule, budget and quality of the project.

- Facilitating Plans include the development of plans to manage all the other facilitating processes required to manage the project, these include: team, stakeholders, information, risk, and contract management plans

Detailed planning in many cases help discover oversights or wrong assumptions made during the initiation phase and the project proposal. It is not unusual to find that a project proposal was designed without incurring the appropriate feedback from the project stakeholders, or that budget assumptions were based on old data. This is the time the project manager has to go in detail about each component of the project and formulate the plans that will help manage the project.

Outputs from this process include a formal project management plan that authorizes the project to begin work.

Implementation

Implementation includes taking all necessary actions to ensure the activities in the project plan are completed and the outputs of the plan are produced.

Implementation occurs once the final project plans have been approved by the organization and/or the donor agency. The project manager starts by forming a team and the initial expenses required by the project; these may include the purchase of office equipment, vehicles, and other goods and services required to start the project.

Implementation includes coordinating people and other resources required to perform the project plans and obtain the desired outcomes of the project or phase, this phase also includes activities such as providing project leadership, developing the project team, verifying project scope, assuring quality, producing progress reports, procuring the necessary resources and taking corrective action.

Outputs from this phase are the project deliverables, progress reports and communications to stakeholders.

Monitoring

Monitoring is about measuring the progress of a project against its objectives, looking at deviations from the plan and taking corrective steps to put the project back on track. Monitoring runs across al project phases of the project life cycle. Traditionally the focus is on monitoring the four project constraints of scope, schedule, budget and quality.

Project monitoring begins with planning and ends with evaluation, having a thorough involvement of each step in the process. Each project should be assessed for the appropriate level of control needed and find an equilibrium that can give the benefits without increasing work; too much control is time consuming, too little control is too costly.

Monitoring is the constant check on the project to see if it is doing the right things at the right time within the given resource restrictions. Project monitoring is an important element of the project that keeps it on-track, on-time, and within budget. Monitoring also looks for new opportunities that may have risen since the project started and that may improve the chances to achieve the project goals.

Monitoring helps verify if the intervention of the project is producing the desired effects or benefits, it helps identify unexpected consequences, establishes a discipline that helps monitor how the situation and the context of the project are evolving, and how the initial assumptions of the project have changed, which contributes to the regular adjustments of the interventions to ensure the project is a success.

Adapting

This phase refers to the process by which the project manager adapts its project management methods and determines what works best for the project. It also refers to the changes that need to be incorporated in the original processes, approaches, strategies and methods planned to deliver the project interventions.

Adapting is taking corrective actions. It uses inputs from the monitoring phase that informs what needs to be changed or modified. The original assumptions under the project was first planned usually change and this phase helps make the necessary changes. Adapting involves the analysis of the changes required and its impact and relevance to the project and its constraints.

Adapting also refers to the process by which project members learn from the experience they gain in the project. This process gives rise to increasing productivity over time and to economies of scale. The adapting phase incorporates a lessons learning approach throughout the project cycle; it is through a feedback loop of experience, learning and practice, that the project can improve its interventions.

Modifying the project and making the necessary changes should occur at the end of each project delivery, as each delivery provides an opportunity to reflect on the success or failures and provides important lessons that need to be incorporated on the next project deliverable.

Closing

The closing phase of the project is when the project has achieved the planned objectives and all deliverables have been produced. There could be instances that a project is closed before all deliverables have been completed, this could be caused by changes in organizational strategies, unavailability of funds or security conditions that make project work impossible.

During closure the project ensures that all administrative tasks have been completed including all contracts, staff is reassigned to other projects and the project lessons learned is developed. All project documentation is properly cataloged and its access made available to the organization and the donor.

The last step in the closure phase includes the project evaluation, which usually may include audit evaluations, donor evaluation, or internal evaluations conducted by the organization or the project.

Project Management Cycle

The Project Management phases follow a cyclical approach throughout the life of the project. The cycle represents a continuous process in which each phase provides the foundation for the next. For example, during implementation the monitoring phase provides inputs and changes to the original design which then modifies the implementation plans. These cyclic nature among the design, implement and monitor phases is repeated throughout the life of the project.

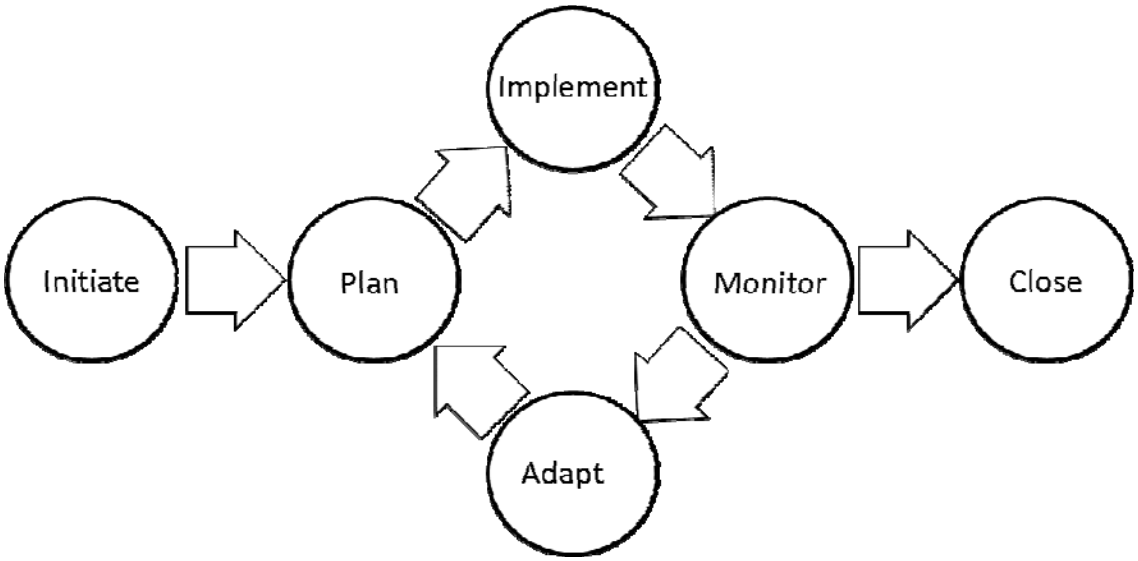

Figure 3.2 Project Management Cycle

The cycle allows for a constant, iterative process by which the project is constantly monitored and any required changes are reflected in the plans, this repetitive cycle continues until all project activities and objectives have been delivered. The cycle approach allows opportunities to review the original project assumptions and plans, as the project makes progress the initial conditions could have changed making necessary for the project to change course or readjust the original plans.

A project is not a linear process, it is cyclical with each phase receiving feedback from the preceding: for example, during the monitoring the projects may encounter that the original assumptions about a project activity have changed which leads to a proposed readjustment of the plans, either in schedule or in scope. Another example may be that some activities are no longer needed or desired by the beneficiaries which require the project to re-initiate some parts of the planning phase.

Each project is different and will have different cycles during its life; the project manager's role is to ensure that the cycles are opportunities that give rise to adjustments in the project and contribute to learning. No situation in which a project intervenes is static, project management is a cycle that is continually repeated to

adapt to a changing context. The project management cycle continues in a spiral fashion until the project is completed and closed. For larger projects the phases may be broken down in smaller manageable phase, each with its own project management cycle, were the closure on the first phase of a project leads to the initiation of the second phase.

The application of project management is an iterative process. For example, within the planning process group, several iterations of planning may occur as the team develops the best approach and methodologies to implement the project. This process requires additional refinements to the schedule, budget estimates, quality requirements and risk plans. As improvements start to occur, the impact to other project management areas must be determined. Over time, the iterations should become smaller in magnitude and more defined as more detailed information about the project is developed. Each project's management cycle is a knowledge cycle in itself that shapes each initial design and is fed by experience from each cycle.

Once the planning management processes have been completed, feedback from the implementing management processes - identified through the monitoring management processes - may result in adjustments to the Project Management Plan. Adjustments are caused by changes in the project environment conditions that were not present (or information available) at the time of planning. Project Management is a dynamic effort and requires a continual process of monitoring and evaluation. Evaluation activities, such as oversight, quality control, and management review are ongoing activities and affect every phase of the project.

A static, linear project management cycle can lead to project failure, a rigid project management approach, hampers the ability of project staff to make the necessary mid-course corrections during project implementation. It also fosters an environment that discourages risk-taking and the use of creative problem-solving strategies.

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Drawing from our deep understanding of the challenges and the needs for realistic solutions that can improve the way in which projects are managed and services are delivered, PM4DEV offers the only adapted Project Management Methodology for development organizations. Our services include:

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This Point of view provides a summary of themes, that in PM4DEV's experience, have proved critical in the successful implementation of project management methodologies.

It draws on the expertise of Project management professionals and provides a guide to deliver a methodology that increases the chances of project success.

For more information about PM4DEV services, contact our customer relations director:

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The Millennium Development Goals aim by 2015 to reverse the grinding poverty, hunger and disease affecting billions of people.

PM4DEV is committed to provide resources and develop knowledge and expertise to support development organizations in their efforts to achieve these ambitious goals.

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