

# INTERNATIONAL PROJECT MANAGEMENT

VIDYA BHAGWAT



 **NIRALI**  
PRAKASHAN  
ADVANCEMENT OF KNOWLEDGE

**A Book Of**

# **INTERNATIONAL PROJECT MANAGEMENT**

**For**

**BBM Semester - VI**

**As Per the Revised Syllabus w.e.f. 2015**

**Vidya Bhagwat**

B.E., M.B.A. (H.R.)

Project Management Certified

**Price ₹ 170.00**



**N3479**

**Third Edition : January 2018****© : Author**

The text of this publication, or any part thereof, should not be reproduced or transmitted in any form or stored in any computer storage system or device for distribution including photocopy, recording, taping or information retrieval system or reproduced on any disc, tape, perforated media or other information storage device etc., without the written permission of Author with whom the rights are reserved. Breach of this condition is liable for legal action.

Every effort has been made to avoid errors or omissions in this publication. In spite of this, errors may have crept in. Any mistake, error or discrepancy so noted and shall be brought to our notice shall be taken care of in the next edition. It is notified that neither the publisher nor the author or seller shall be responsible for any damage or loss of action to any one, of any kind, in any manner, therefrom.

**Published By : Polyplate  
NIRALI PRAKASHAN YOGIRAJ PRINTERS AND BINDERS**

Abhyudaya Pragati, 1312, Shivaji Nagar,  
Off J.M. Road, PUNE – 411005  
Tel - (020) 25512336/37/39, Fax - (020) 25511379  
Email : niralipune@pragationline.com

**Printed By :**

Works: Sr. No. 10\1, Ghule Industrial Estate,  
Nanded Village Road,  
TAL-HAVELI, DIT-PUNE 411041.  
Mobile – 9850056517, 9404225254

** DISTRIBUTION CENTRES****PUNE**

- Nirali Prakashan** : 119, Budhwar Peth, Jogeshwari Mandir Lane, Pune 411002, Maharashtra  
Tel : (020) 2445 2044, 66022708, Fax : (020) 2445 1538  
Email : bookorder@pragationline.com, niralilocal@pragationline.com
- Nirali Prakashan** : S. No. 28/27, Dhyari, Near Pari Company, Pune 411041  
Tel : (020) 24690204 Fax : (020) 24690316  
Email : dhyari@pragationline.com, bookorder@pragationline.com

**MUMBAI**

- Nirali Prakashan** : 385, S.V.P. Road, Rasdhara Co-op. Hsg. Society Ltd.,  
Girgaum, Mumbai 400004, Maharashtra  
Tel : (022) 2385 6339 / 2386 9976, Fax : (022) 2386 9976  
Email : niralimumbai@pragationline.com

** DISTRIBUTION BRANCHES****JALGAON**

- Nirali Prakashan** : 34, V. V. Golani Market, Navi Peth, Jalgaon 425001,  
Maharashtra, Tel : (0257) 222 0395, Mob : 94234 91860

**KOLHAPUR**

- Nirali Prakashan** : New Mahadvar Road, Kedar Plaza, 1<sup>st</sup> Floor Opp. IDBI Bank  
Kolhapur 416 012, Maharashtra. Mob : 9850046155

**NAGPUR**

- Pratibha Book Distributors** : Above Maratha Mandir, Shop No. 3, First Floor,  
Rani Jhanshi Square, Sitabuldi, Nagpur 440012, Maharashtra  
Tel : (0712) 254 7129

**DELHI**

- Nirali Prakashan** : 4593/21, Basement, Aggarwal Lane 15, Ansari Road, Daryaganj  
Near Times of India Building, New Delhi 110002  
Mob : 08505972553

**BENGALURU**

- Pragati Book House** : House No. 1, Sanjeevappa Lane, Avenue Road Cross,  
Opp. Rice Church, Bengaluru – 560002.  
Tel : (080) 64513344, 64513355, Mob : 9880582331, 9845021552  
Email: bharatsavla@yahoo.com

**CHENNAI**

- Pragati Books** : 9/1, Montieth Road, Behind Taas Mahal, Egmore,  
Chennai 600008 Tamil Nadu, Tel : (044) 6518 3535,  
Mob : 94440 01782 / 98450 21552 / 98805 82331,  
Email : bharatsavla@yahoo.com

**[niralipune@pragationline.com](mailto:niralipune@pragationline.com) | [www.pragationline.com](http://www.pragationline.com)****Also find us on  [www.facebook.com/niralibooks](http://www.facebook.com/niralibooks)**

## Preface ...

---

After conducting several trainings on project management in corporates as well as in management institutions and also gaining hands on experience while working on several projects for the past 15 years, every effort has been made to correlate experience with the syllabus prescribed by the university.

Most of the organisations that work on international projects follow the guidelines specified by PMBOK®. It is in this context that the author felt that information on these concepts and basic guidelines have to be given to the students in a more simplified form so that, in case, in their future career, they work on international projects they can further refer to PMBOK® guidelines which gives detailed information. The book has been designed to provide content in notes format, according to the revised syllabus.

Million thanks to my parents especially my mother who has been my inspiration and support, and to my teachers whose guidance and blessings have made this task possible. I also thank all those people who have uploaded project management information on the internet and made it freely available in easy to use formats.

I would like to acknowledge that the major reference information has been taken from PMBOK® guide, as this is the international reference and the guidelines specified in it are being followed internationally. Since the sole purpose of this book was to make the management students understand the concepts of processes used in the context of international project management.

My special thanks to Prof. Abhijeet Kulkarni for his support.

I am grateful to Mr. Jignesh Furia my publisher for giving me this opportunity to pen this book. I would also like to acknowledge Mrs. Supriya Singh, for her persistence without which the completion of this book would have not been possible. Last but not the least I thank Ms. Krisha Desai for her editing skills, Mr. Ilyas Shaikh, Mr. Ravi and Ms. Chaitali and Mr. Prasad for their valuable work and all those who have directly or indirectly facilitated the progress of this book.

**AUTHOR**



# Syllabus ...

---

- 1. Introduction to International Project Management [10 L]**
  - 1.1 Introduction
  - 1.2 Definition of Project
  - 1.3 What is Project Management?
  - 1.4 Characteristics of a Project
  - 1.5 Role of Project Manager and skills required, Knowledge required,
  - 1.6 Complexities of a Project
  - 1.7 Different Types of Projects
  - 1.8 7's Of project Management
- 2. Strategy Planning and Project Management [08 L]**
  - 2.1 Need for Strategy in Project Management
  - 2.2 Resource Co-ordination
  - 2.3 Project Performance Measurement
  - 2.4 Work breakdown structure, Stakeholder Management
  - 2.5 Project Analysis : Technical aspects, Financial aspects, Risk factors and management
  - 2.6 Social cost benefit analysis
- 3. Time, Cost and Quality Planning [10 L]**
  - 3.1 Process
  - 3.2 Gantt Charts
  - 3.3 Estimating
  - 3.4 Critical Path Analysis
  - 3.5 Arrow-on-Arrow Diagrams
  - 3.6 Scheduling
  - 3.7 Quality Conformance Planning
  - 3.8 Quality Performance Planning
  - 3.9 Project Structure Teams
  - 3.10 Organisation
- 4. Project Delivery and Control [10 L]**
  - 4.1 Requirement of Control System
  - 4.2 Defining System, Characteristics of Importance
  - 4.3 Defining Variation Limits
  - 4.4 Measurement, Making Process Visible
  - 4.5 Feedback & Corrective Action
  - 4.6 Project Completion & Handover
  - 4.7 Improvement Activities
  - 4.8 Training & Education
  - 4.9 Audit & Review
- 5. Cultural Factors Influencing International Project and Learning [10 L]**
  - 5.1 Different Countries, Different Cultures, How it can be useful in International Projects
  - 5.2 Future Challenges for Project Management, Managing change and its issues
  - 5.3 Improving Project Performance

# Contents ...

---

<b>1. Introduction to International Project Management</b>	<b>1.1 – 1.20</b>
<b>2. Strategy Planning and Project Management</b>	<b>2.1 – 2.48</b>
<b>3. Time, Cost and Quality Planning</b>	<b>3.1 – 3.62</b>
<b>4. Project Delivery and Control</b>	<b>4.1 – 4.20</b>
<b>5. Cultural Factors Influencing International Project and Learning</b>	<b>5.1 – 5.22</b>
<b>Appendix</b>	<b>A.1 – A.12</b>
<b>Glossary</b>	<b>G.1 – G.18</b>
<b>Question Paper</b>	<b>P.1 – P.1</b>

— — —

# Chapter 1...

## Introduction to International Project Management

---

### **Contents ...**

- 1.1 Introduction
- 1.2 Project
  - 1.2.1 Definition of Project
  - 1.2.2 Characteristics of a Project
  - 1.2.3 Phases of a Project
  - 1.2.4 Complexities of a Project
  - 1.2.5 Types of Projects
- 1.3 Project Management
  - 1.3.1 What is Project Management?
  - 1.3.2 Definition of Project Management
  - 1.3.3 7S Framework of Project Management
  - 1.3.4 Advantages of Project Management
  - 1.3.5 Importance of Project Management
- 1.4 Project Manager
  - 1.4.1 Role of a Project Manager
  - 1.4.2 Skills Required in a Project Manager
  - 1.4.3 The Knowledge Areas required for a Project Manager
  - Points to Remember
  - Questions for Discussion

---

### **Learning Objectives ...**

- To understand the concept of project
- To know the meaning of project management
- To identify different types and characteristics of projects
- To elaborate different phases of a project
- To explain the complexities of a project
- To describe the role of a project manager

- To discuss the ~~7S~~ 7S of project management

## 1.1 Introduction

Whenever or wherever there is a need to perform a work, as regards, constructing dams, bridges, buildings, developing software architecture or, any other kind of engineering work or, task that entails completion of a series of sub-tasks so as to produce the desired results within a given timeline, the deployment of a systematic and stringent monitoring process would be invariably called upon for achieving the aforesaid desired end.

This, in turn, would involve the process of estimating values for time, money and quality outcomes, risk involved, actual implementation of the plan apart from taking necessary corrective actions in case of any deviation from the actual plan.

International project management becomes equally more important as the additional constraints of time zone differences, language, currency and cultural differences have to be factored in over and above the actual work plan. It has often been observed that international projects need a high degree of monitoring and control as the costs involved are usually higher as compared to the projects done at the local end.

The complexities of the project, namely, the differences in time, language, currency and cultural issues, including, the methodology used by project managers for managing projects worldwide vary to a great extent. Therefore, when different location projects with their inherent differences are synchronised, it inevitably carries with it the risk of misinterpretations causing delays and losses to the project. Hence, an international body was formed that defined the standards of working on project. This body studied the standard procedures adapted and its importance and formulated international standards by defining the key terms and procedures as guidelines. There are two main associations –

1. PMI – Project Management Institute. This body has included the knowledge of proven, traditional practices which are widely applied as well as knowledge of innovative and advance practices which have seen more limited use. They have specified it as “Project Management Body of Knowledge” abbreviated as PMBOK®.

2. IPMA – International Project Management Association, before called Internet.

The most commonly used international practices are as per PMI standards.

## 1.2 Project

### 1.2.1 Definition of Project

In the beginning, the word ‘project’ was associated primarily with engineering, in particular, with developments at the forefront of technology. The next place it cropped up was in Information Technology where software programming required sophisticated project

methodology. Today, though, a project mentality is essential in our topsy turvy world of the new millennium; the organisations that will remain healthy are the ones that have an effective and widely understood approach to managing projects as a way of implementing change.

The **Oxford English Dictionary** defines 'project' as "an individual or collaborative enterprise that is carefully planned and designed to achieve a particular aim; for example, a research project/a nationwide project to encourage business development".

A project is a temporary effort to create a unique product or service. Projects usually include constraints and risks regarding costs, schedule or performance outcome.

A project can be defined as initiative to bring about change. This is done in order to achieve specific objectives within a timescale in a given context. A project is normally allocated a budget. **Viv Martin (cited in Baume, Martin and Yorke, 2002:1)** lists the attributes of a project as follows –

#### **A project**

- Has a clear purpose that can be achieved in a limited time;
- Has a clear end when the outcome has been achieved;
- Is resourced to achieve specific outcomes;
- Has someone acting as a sponsor who expects the outcomes to be delivered on time; and
- Is a one-off activity that would not normally be repeated.

#### **1.2.2 Characteristics of a Project**

1. **Projects are unique undertakings** which result in a single output unit. When the homeowner installs an entertainment centre with the help of his few friends then it is called a project. The objective here is to complete the installation and enjoy the product. This is a unique undertaking as the homeowner is not likely to repeat this process very often.
2. **Projects are composed of interdependent activities:** Project is made up of various activities. To be consistent with the project's definition, an activity has a beginning and an end. Activities are interrelated in three most possible ways. In some situations, an activity must be completed before the other one begins. Usually, these compulsory relationships are difficult to break, or even to do so does not actually makes sense. The relationship of other activities is not as restrictive or as obvious. These discretionary interdependencies are based on the people's preferences developing the plan. Few activities are based on some external event like receiving the materials from the vendor. In any of these three situations, that is, mandatory, discretionary or external, activities have a relationship with each other.

3. **Projects involve multiple resources**, both human and non-human, that require close coordination. Usually, there are a variety of resources, each one with its own unique skills, technologies and trains. This aspect in human resources thus leads to an inherent characteristic of projects, that is, conflict. There is a conflict amongst resources as per their approaches, concepts, theories techniques and so on. Moreover, there is a resources conflict as per the timing, quantity and specific assignments. Thus, it is important for a project manager to be skilled enough in managing both such conflicts.
4. **Projects are not synonymous with the products of the project:** For some people, the word project means the planning and controlling of the effort. For others, it means the unique activities that are required for creating the product of the project. This is not a trivial distinction, as both the entities have characteristics specific to themselves.
5. **Project are driven by competing constraints:** These competing constraints balance the quality, scope, budget, schedule, resources and risks amongst the other factors. One of these limitations is the driving factor of each project. Various projects are driven by various constraints, based on the emphasis established by management. Being the first one in the market, often dictates long-term market position, thus making time pressure as the major driver. Most of the projects need the investment of considerable labour and money for the benefits of the resulting product to be enjoyed. Thus, containing resource expenditures may be the driving factor. A need exists for the project's resulting product to be of higher quality.

### 1.2.3 Phases of a Project

The project has five phases –

1. **Initiation:** Concept development and feasibility.
2. **Planning:** Design and development.
3. **Execution:** Implementation phase.
4. **Controlling:** Monitoring, reviewing and control.
5. **Closing:** Compiling company assets.

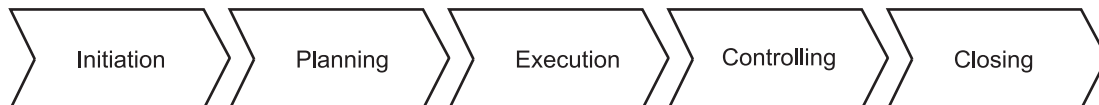


Fig. 1.1

1. **Initiation Phase consists of –**
  - Development of concept

- Creating feasibility – Return on investments (ROI), projects for profit and loss reports on knowledge availability and risk
- Cost analysis
- Project end result – Impact to organisation
- Identification of stakeholders

The first phase of project management is the initiation phase. It is during this initial time that the project goal is established. During phase 1, if a project manager has been assigned, this person works with the involved parties, otherwise known as the project stakeholders, to fully determine how to measure the success of the project once all work is complete.

This allows the project manager and project stakeholders (the people with a vested interest in the given project, and often the ones shelling out the money to make it happen) to agree on the project scope. The project scope will include project goals, budget, timelines and any other variables that can be used for success measurement once the final phase is reached, namely, closing.

During the initiation phase, one does not make a list of the things that need to happen to accomplish your total project goal, but rather a list of end-results. For example, 'digitising two hours of video' is a task, but 'offer streaming videos of lectures to a class' is a goal.

## **2. Project Planning Phase helps to identify –**

- Who (project organisation, resources and stakeholders)
- What (statement of work, objectives and scope)
- What if (contingency plans)
- When (schedule and milestones), creation of work breakdown structures
- Where (facilities required)
- How (development approach, work breakdown structures, processes and procedures)

The project planning phase also caters to –

- Organisational structure
- Methodology, scope and assumptions
- Schedule for management
- Communication management
- Change and risk management
- Cost management
- Provisioning
- Security

Often, the most time-consuming of the phases of project management – the planning phase – is where one lays one's project groundwork. In Phase 1 – Initiation, one defines one's

project deliverables through the project charter. Now, in Phase 2 – Planning, one creates a specific list of things that need to happen in order for to achieve one’s goal or goals.

The specific list of identifiable steps is documented in the form of tasks. Many project managers choose to come up with project tasks using a manual method – such as a good, old-fashioned brainstorming session. A technique that seems to work well is to write tasks on individual sticky notes (such as, Post-It™ notes).

Then, once one has one’s tasks written down, one should begin to hang them in the order one thinks they will logically occur during one’s project. This type of format allows one to rearrange tasks and see the whole project laid out in a visual format.

Another great option for determining what tasks need to be done, and how long a task might take is to refer to past projects in which similar steps were required to be taken. Or, better yet, go talk to industry experts. Also, at times, simply asking the people who will be doing the work (or, who have done it in the past), how much time is or would be needed to complete a task is enough to get a rough estimate.

In the project management world, there are formulas for calculating a given task’s estimated duration and many project managements still make these calculations by hand. But, there are many handy project management software programmes that can automatically make these calculations for one. Even at this early stage in the phases of project management, one can begin to enter one’s tasks into a project management programme and allow the software to do the heavy arithmetic.

Once one knows what needs to be done, one can use a calendar to determine when the work should be completed and a list of resources to assign one’s tasks to specific people by stating it simply and clearly. If a task cannot be described in a sentence or two or completed between two hours or two weeks, one might want to break it up into two or more smaller tasks.

### **3. Project Execution Phase**

- Work the plan
- Status updates
- Issue identification
- Change control
- Quality control
- Risk mitigation
- Always be on the lookout for ‘scope creep’
- Keep the plan in front of the team
- Regular feedback

- Use the feedback provided
- Do not 'make it up'

**Status Updates**

- Regular meetings
- Discussion of issues
- Making necessary adjustments

**Issue Resolution**

- Be proactive
- Focus on the critical path
- Involve management

**Risk Mitigation**

- Conduct regular risk review
- Update 'top' risks
- Re-allocate risk reserves
- If you have not planned for it, it can be painful

**Phase 3** in PMBOK's phases of project management is the execution phase (although, this phase may also be referred to as the implementation phase). The name of the phase is not however nearly as important as what happens during this phase.

During the execution phase, one's best-laid plan from Phase 2 – Planning – is put to work. While the planning phase can take a considerable amount of time, depending upon the project deliverables, the execution phase can take as even longer than the planning phase. This is also the time when you will spend the bulk of your money and keep your resources busy 'executing' the project plan.

During the execution phase, the project manager spends a considerable amount of time in communication making sure the resources (people, equipment and materials) are available to do their work and know what work needs to be completed.

There is quite a bit to this phase since as a project manager is one who works to juggle many aspects of one's project. During this phase, one uses one's total management skills to implement and manage costs and quality, risks and change, and several other factors.

This is also a great time to work in order to keep the project stakeholders informed of the ongoing project's progress.

**4. Project controlling phase**

- Corrective actions
- Review and revise project plan
- Review and revise estimates

- Communicate

In PMBOK's phases of project management, the third phase (execution) and the fourth phase (monitoring and controlling) often feel as though they are one and the same. But, make no mistake—they are not.

Although, they are woven closely together, it is, in practice, sometimes necessary when one reaches phase four to return to phase two and begin planning all over again. However, it is probably more realistic to look at phase three and four this way –

In phase three, one executes one's original project plan. But, it is rare that all of one's project tasks are happening simultaneously. So, it is quite possible that while one is executing task 2 (phase 3), one is monitoring task 1 (phase 4) to make sure the work is going according to the project plan (phase 2).

## **5. Project Closure**

- Post implementation evaluation
- Lessons learned
- Measuring success
- Recognition
- Celebration

Before the celebrations can begin, there are a few final details that need to be attended to in order to bring about a final closure of the project concerned. That is the whole purpose of the final phase of the phases of project management – closing.

During this phase, the project managers often depend on their project management software to provide detailed summary reports of everything from missed timelines to the amount of money spent during the project and how that information matches up with the original project plan.

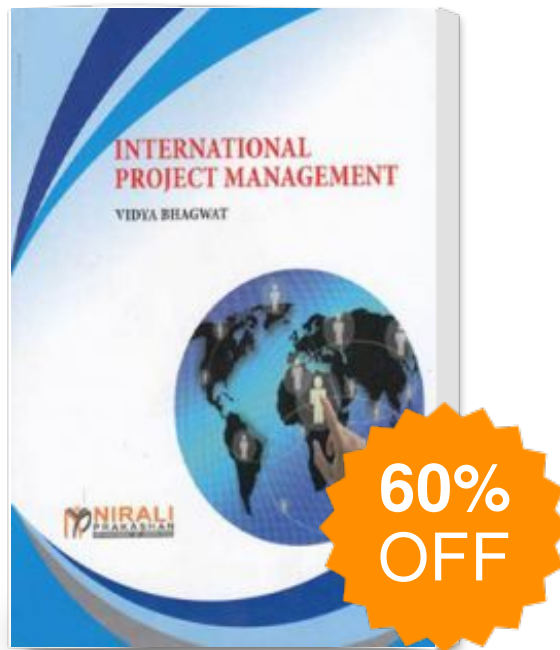
The sign-off is probably the single most important closing document. Without a physical signature on a document that clearly states the project has reached its completion date, your stakeholders are likely to continue to keep your number on speed dial for a myriad of changes and 'enhancements' you cannot even begin to predict. Getting sign-off on a formal closing document is a great way to put a stake in the ground. This does not mean enhancements cannot still be made, but if they did not fall under the original project scope, those enhancements are their own, unique project.

### **1.2.4 Complexities of a Project**

While making a project, managers come across various difficulties that are as follow –

**1. Undefined Goals:** The whole project and the team can suffer, if the goals are not clearly identified. When the upper management support undefined goals or cannot agree to, the specific project typically has little or no chance of succeeding. The project manager must draft the right questions for establishing and communicating clear goals from the outset.

# International Project Management



Publisher : **Nirali Prakashan**

ISBN : 9789351648499

Author : **Vidya Bhagwat**

Type the URL : <http://www.kopykitab.com/product/19697>



Get this eBook