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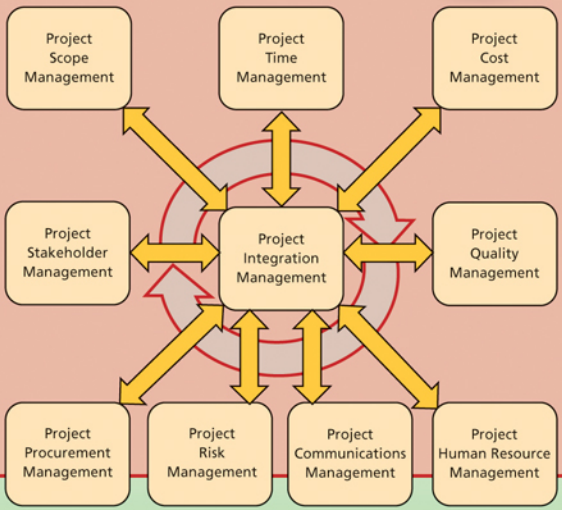
A pocket companion to PMI's PMBOK® Guide

Based on PMBOK® Guide Fifth Edition



Anton Zandhuis
Paul Snijders
Thomas Wuttke

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A POCKET COMPANION TO PMI'S

PMBOK® GUIDE

5TH EDITION

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NETHERLANDS CHAPTER

A Pocket Companion to PMI's

PMBOK® Guide

5th edition

A quick introduction to
'A Guide to the Project Management Body of Knowledge'
(PMBOK® Guide)
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Anton Zandhuis PMP
Paul Snijders PMP
Thomas Wuttke PMP

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Preface

Billions of dollars are spent globally each year on projects across all industries and sectors. Delivering projects successfully has become essential to an organization's growth and survival in the long run. Succeeding here is more than coincidence and the effectiveness of one individual project manager. It requires project management knowledge from all project stakeholders and some well-defined processes to ensure real cooperation and drive, in order to make these 'miracles' happen. A relatively small change in the mindset and actions of all project stakeholders, thus enabling real cooperation towards the project's success, will bring a large improvement in continuous successful project delivery. With this pocket companion to PMI's *PMBOK® Guide* we want to foster this change.

Based on the success of 'A Pocket Companion to PMI's *PMBOK® Guide*' fourth edition, we had no hesitation in creating a new update, which is fully aligned with the *PMBOK® Guide*' fifth edition (2013). If you are already familiar with the *PMBOK® Guide*, the title of this book, 'A Pocket Companion to PMI's *PMBOK® Guide*', is setting your expectations. However, if the *PMBOK® Guide* hasn't crossed your path yet: The *PMBOK® Guide* (*A Guide to the Project Management Body of Knowledge*) is widely recognized as a worldwide standard in project management, confirmed by the fact that nearly four million copies are in circulation. However, this standard is rather voluminous and therefore needs an easily accessible and shortened version, to facilitate an easy adoption by a wider audience. This pocket guide is intended to answer this need, by providing a brief and straightforward introduction and high level summary of the *PMBOK® Guide* 5th edition.

At the **individual level**, this pocket edition is especially useful for the key stakeholders in projects, which includes project sponsors or program managers, project managers and project team members, as these are the

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key roles we distinguish in this book. It is also useful when acting in a project governance or project supporting role (for example as a member of a Project Management Office, PMO) or as a portfolio manager. It will support all of these project stakeholders in two ways:

- Better fulfillment of their role in projects based on an understanding of basic good practices in project management;
- Improved application of an organizational-wide shared project management approach.

This will become a fundamental tenet for jointly realizing the organizational strategy.

At the **organizational level** it allows for a structured and well supported lifecycle-driven project approach, as well as ensuring all project stakeholders are speaking 'the same language'. This will improve the practical application of project management processes; understood by all and consistently applied. The flexibility of the concept doesn't prescribe a rigid structure; it enables all organizations and project teams to adapt it to their level and needs, sometimes referred to as 'lean project management'.

When issuing the *PMBOK® Guide*, the Project Management Institute (PMI) aimed to create an international guideline in project management. Many project management methods refer to this standard. It is recognized as an ANSI standard for project management processes. The 'ISO 21500 Guidance on Project Management' shares the same structure (with only slightly different names) and displays a more than 90% overlap with the processes mentioned in the *PMBOK® Guide.* Other global standards tend to follow the same direction. The *PMBOK® Guide* is, therefore, a fundamental input when cooperating in projects and jointly striving for project success.

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Research confirms that organizational excellence in project management brings clear tangible benefits for organizations which implement projects continuously, in order to keep up with the changing environments and demands. We encourage you, your project management community and project stakeholders collectively, to become familiar with the *PMBOK® Guide's* knowledge and processes in order to reap and even increase these benefits.

January 2013,

Paul Snijders, PMP
Thomas Wuttke, PMP
Anton Zandhuis, PMP

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Chapter 1
Introduction

1.1 Purpose of this Pocket Companion to PMI's *PMBOK® Guide*

This pocket companion to the *PMBOK® Guide* is intended as a brief reference to aid in quickly understanding the purpose, background and key elements of the *PMBOK® Guide* Fifth edition.

What is the value of the *PMBOK® Guide*? The *PMBOK® Guide*, short for 'A Guide to the Project Management Body of Knowledge', is recognized worldwide as a foundational reference for the application of project management knowledge and good practices. The *PMBOK® Guide* is the oldest and most widely used formal global project management standard. It is issued by the Project Management Institute (PMI,) the world's leading association for project managers. Research has confirmed that structured application of this knowledge and practices clearly enhances the successful delivery of projects. Project environments that consistently apply this fundamental project management good practice approach not only show better project performance in terms of lower costs and shorter delivery times, but they also demonstrate higher levels of customer satisfaction. The new ISO 21500 global project management standard confirmed the quality of the content of PMI's *PMBOK® Guide*, as the structure and high level content of these two standards are fully aligned. So there are a range of benefits to gain from the application of project management good practices, as described in the *PMBOK® Guide*.

When working in a project management environment, which is far more dynamic than 'normal' operations, good communication is essential. For this you need 'one common language' within your project management

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environment, which is understood by everyone involved, particularly the key-stakeholders of the project. This pocket guide aims to quickly establish a shared vocabulary and terminology on the project management fundamentals and create a common understanding about the basic project management processes and the key roles and responsibilities.

What is it not? It is definitely not a 'project management cookbook'. The project manager and the team remain ultimately responsible for deciding what good practices shall be applied to the specific project at hand, closely cooperating with the project sponsor and the management of the standing organization. At the organizational level this can be enhanced by implementing a project management methodology, based on these good practices.

In a nutshell, this pocket book is intended as a key contributor and tangible asset, when introducing and reinforcing concepts of project, program and portfolio management in your organization for improved communication and cooperation. It supports an organizational-wide implementation of a project management culture, bringing you the benefits of 'the right projects executed right the first time'!

In Chapter 3 you will find a more detailed description about the *PMBOK® Guide*, its fundamental definitions and its structure. In Chapters 4 to 13 we will further detail the areas of project management knowledge and their underlying processes.

1.2 Practical tips for using this pocket guide

On the additional cover page attached to the back cover of this book, all knowledge areas and applicable processes and chapter numbers are listed. On the pages of the pocket guide each chapter is recognizable by the

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icon representing the applicable knowledge area on the side of the page, enabling you to quickly locate the appropriate topic.

Key terms and definitions are explained in a restricted selection from the Glossary of the *PMBOK® Guide*, in Appendix A.

1.3 Project management and its value

Every organization has its unique culture and faces diverse challenges. Also, organizations start with a different situation and set of problems to be resolved. In order to define the value of project management in that context, we firstly need to define exactly what is meant by project management, as this is a broad concept. Then we can look at the various aspects of project management and show the value associated with each aspect.

> *PMI definition:*
> Project management: is the application of knowledge, skills, tools and techniques to meet project requirements.

This is accomplished by the application of project management processes.

Research shows that, with the increasing complexity and faster changing environments that businesses are faced with, projects managed by the structural application of good practice-based processes show consistently better performance in areas such as, but not limited to:

- 'Deliver as promised' by realistic expectation-setting through up-front project definition, planning, and estimation;
- Faster delivery through the reuse of common and known project management processes;
- Less 'surprises' during project execution, utilizing proactive project management processes;

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- Improved customer satisfaction and less rework by delivering the right product or service, right, the first time.

These opportunities together with the savings offered by organizational project management excellence are all tangible. But the value proposition for project management is much greater and also includes less tangible benefits like:

- A highly committed and motivated team that can work together based on a clear goal and through effective communication;
- An inspiring project environment with a 'can-do' mentality through ambitious yet realistic commitments;
- Transparent and improved decision making at all organizational levels through more effective communication.

These qualitative benefits will even reinforce the quantitative advantages, which will guarantee that an organization is able to excel.

Many organizations have built a good reputation for being able to consistently deliver top quality projects. However, a majority of organizations are still struggling with this. Do you recognize the following characteristics?

- Projects mostly deliver late, over-budget, or without meeting the business or functional requirements of the project sponsor and end-users;
- Project managers do it 'their way' as there are no, or poorly, standards available for project management processes and techniques;
- Project management is regarded as an overhead instead of being recognized as providing business value;
- The project work undertaken by resources from within the line organization is not specifically planned for as part of the operations planning, but is typically regarded as 'next to your primary function';
- Project budgets do not include the cost of internal workforce as they are 'already paid for';

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- There is no overall insight available on all the projects being undertaken in the organization, nor their cost versus the added value (business case);
- The required work for managing projects proactively is not included in the project plan;
- Projects may be somehow 'successful' in the end but only through heavy stress and overtime work.

Do you recognize the above? Having disciplined project management is the way to overcome these shortcomings. The value of a good project management practice, using standard project management processes, will enable better communication to deal with contingencies pro-actively. This will substantially and continuously increase the chances of project success. It will establish new management procedures and processes. It will enable you to run your organization as an economic enterprise.

1.4 Successfully fulfilling your role as project sponsor, project team member or project manager

Understanding your role in a project and acting accordingly is vital for project success. Therefore we highlight the three key roles which are the major contributors in realizing a successful project:

1. The **project sponsor** acts as the continuous link between the line organization and the project. It is the sponsor who is responsible at the start for defining the business case for the project; why should we be doing this project; what are the sponsoring organization's needs? When the project is approved, the project manager takes over the responsibility for 'delivery of the defined project objective'. The sponsor still fulfills an ever- important role for ensuring the project objective is aligned to the project goal. The sponsor should, amongst other things, ensure that the organization sticks to its initial decisions

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regarding goal setting, thus preventing constant priority changes based on daily operational issues. The project sponsor, therefore, plays an important role in ensuring that there is sufficient support from functional and operational management, which in turn fulfills a key role in assigning the appropriate resources to the project team. The sponsor should also support the organization's readiness to effectively deal with the project objective when it is delivered, as this is where the benefits realization, and therefore increased business value, will start. For realizing this the project sponsor must work closely together with the project manager. The fluent communication between these two roles is crucial for the project and organizational success.

2. The **project (management) team member** is typically responsible for delivering the expertise and work needed to create the project result. During the initial phases of the project, their focus is on defining the best approach and developing a feasible high-level plan for the project; in other words, the planning. During the execution phases, based on their expertise, they realize the project objective and specific subcomponents. Sufficient representation within the project team of the organization which takes over the responsibilities at the end of the project is essential, in order to ensure the smooth transition of the project objective to the operational or sponsoring organization.
3. The **project manager** is ultimately responsible for the delivery of the defined project objective. Key elements in this role are stakeholder management, and guiding the project team and the appropriate stakeholders in selecting and applying the right project management processes at the right time. But everything must be undertaken with an eye on the delivery of the project objective. The project manager must take advantage of the project sponsor's business knowledge and influential position, and escalate all issues or business- related problems that cannot be solved by the project management team.

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In every project these key roles that are needed for the successful delivery of the project should be clearly described and understood, so that all stakeholders can act accordingly.

Figure 1.1 clearly describes the common relationships between the line and project organization, and shows where each role is positioned.

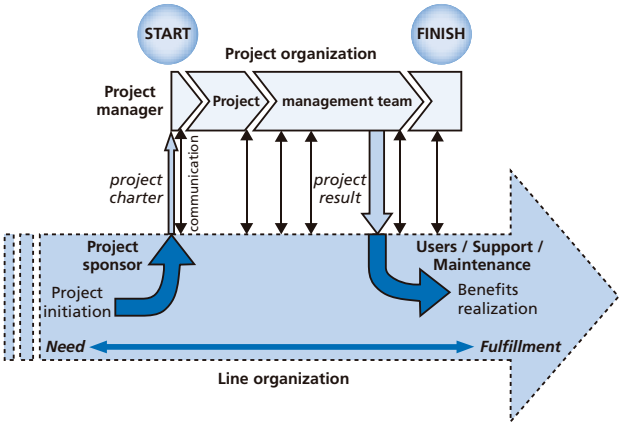

Figure 1.1 Common relationships between line organization and project organization

1.5 FAQ

We have identified some typical questions one could ask when first confronted with project management or the *PMBOK® Guide*.

What is a project?

PMI definition:
A project is a temporary endeavor undertaken to create a unique product, service or result.

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This means:

- It has a defined start and end, therefore a project is temporary;
- It has a certain 'volume' of work which needs some form of organization, otherwise it's not an endeavor;
- It is not business as usual, not following normal procedures, because there is something unique to it;
- It creates an end result, being a product, a service or result.

There are projects of all types and levels, demanding that project management activities should be geared to the project at hand. But it's the organization's responsibility to first decide if the desired objective should be realized through undertaking a project, and then organizing it accordingly. *(PMBOK® Guide* Chapter 1.2*)*

Is 'project management' a profession?

While there is no agreed definition of a 'profession', you could describe it as:

'A disciplined group of individuals who adhere to defined ethical standards and uphold themselves to the public as having specific knowledge and skills in a generally recognized, organized body of learning, derived from education and training, and who apply this knowledge and these skills in the interest of others.'

With projects getting more and more complex, the demands on a project manager's competence are also increasing. For example, everyone can apply a bandage to a wound but that does not make everyone a doctor. The need to obtain specific skills, knowledge and education, in order to successfully fulfill the role of project manager, is generally recognized. This is even confirmed in the Academic world where Masters Degrees in Project Management are now available.

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