The Project Management Question and Answer Book

By Michael W. Newell, PMP, and Marina N. Grashina, PMP,
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(A book review by R. Max Wideman)

Introduction

We must admit that our first reaction to the title *The Project Management Question and Answer Book* by a couple of "PMPs" was dubious. We thought: Here's another book by authors cashing in on the Project Management Institute's ('PMI') *Guide to the Project Management Body of Knowledge* ('PMBOK Guide'). And likely this book will soon be out of date, given the imminent arrival of the 2004 Guide update. But, as we cracked the covers, we were delighted to discover that we were quite wrong.

The authors, Michael Newell and Marina Grashina, have not slavishly followed the PMBOK Guide, although they have adopted most of the PMBOK knowledge areas as chapter headings. At the same time they have introduced additional or alternative headings, in a way that makes eminent good sense, as we shall see under Book Structure. Further, they have not laboriously followed the PMBOK Guide contents either. Rather, they have taken each topic area and dealt with it in a simple, straightforward way that is easy to understand and highly relevant to anyone in the practical business of managing projects.

For example, as the authors explain in their introduction:

> "One of the reasons for the popularity of project management is the great flexibility of projects. Projects and project management can be applied to any size projects, in any industry, for any product or service. This is because the methodology for managing projects is flexible and adaptable to nearly anything we might want to do. All projects will have some kind of initiating phase, planning phase, execution phase, and closeout phase."[1]

There is a lot of meat in these observations. Not so long ago, measured in a few decades, "projects" were only things that involved capital infrastructure such as buildings or engineering works. And then only when some large sum of money had been committed under a voluminous form of legal execution contract. Clearly, the likes of this were not applicable to "any size projects, in any industry, for any product or service" because of the justifiable perception of the excessive legal bureaucracy entailed. Further, the project's life span was not reduced to its basic simplicity of the four phases the authors identify. That is because such large infrastructure projects did not identify with their "true" beginning, i.e. conceptualization, and their execution had more stages to satisfy the legal requirements.

The backgrounds of both authors are generally from the manufacturing, business or electronics sectors, before taking up project management consulting full time. Michael is Vice President of Operations for PSM Consulting currently out of Clermont, Florida, and Marina is manager of their Moscow office. It is not surprising, therefore, that this book will appeal particularly to people in the manufacturing, business and electronics sectors.

This book really is a practitioner's guide rather then a certification-exam cramming tool. Yet those taking PMI's certification exam will benefit from it because the content is so understandable and covers almost all the required territory.

Book Structure

The Project Management Question and Answer Book contains eleven chapters as follows:

1. Introduction
2. Scope
3. Project Estimating
4. Cost Management
5. Time Management
6. Human Resources Management
7. Building Projects in Organizations
8. Risk Management
9. Quality
10. Earned Value Reporting
11. Communications

Of all the chapters, Chapter 5: Time Management, is by far the largest, no doubt because this topic is the most well established. There is no list of reference sources in the book, so one must conclude that the authors have created all the content. If that is the case, then considering the scope of the book, the authors display a remarkably good understanding of all the essential parts of project management. Within each chapter are the relevant subtopics, each described in more or less summary form. For those who wish to dig deeper, most subtopics are followed by a subsection titled "Tell me more . . ."

What we liked

Comparing the list of chapters with those of the PMBOK Guide, the reader will note that Project Estimating, Building Projects in Organizations and Earned Value Reporting are singled out for special attention. Presenting these three topics as separate chapters makes eminent good sense. This is because estimating and earned value both encompass the time and cost knowledge areas, and in the PMBOK Guide's Chapter 2, corporate organization tends to get lost because it is grouped with project life span and project stakeholders. Indeed, we believe that given the fundamental importance of the project life span to all project work (it is after all the distinguishing feature of all projects), this topic should have its own separate chapter in the Guide.

In Chapter 2, Scope, the authors discuss project justification. As they say:

> "The most credible justification is one where the identified benefits of doing the project are greater than the cost of doing the project."[2]

Absolutely! In fact the payback should be many times the estimated cost of the project if for no other reason than the risks involved and the competing value of money spent on other more lucrative projects. So we were pleased to see seven pages dedicated to this important subject. The more so because we wonder how many project managers maintain awareness of the project benefits when they are focusing on project time and cost constraints?

Chapter 2 also dedicates ten pages to the subject of work breakdown structures (WBS) in a well-developed and realistic text. In passing we could not help smiling at the comment "*The Guide to the Project Management Body of Knowledge* is a little bit confusing in this area."[3] To which we might add: And that's not the only area – even more so in the case of the 2004 Guide! However, the authors suggest;

> "As a guideline but not a rule, each level of the WBS should break the previous element into four to seven new elements."[4]

That may be possible but essentially the goal of the WBS is to identify the logical parts of the product so that each part can be managed accordingly as its own entity. It is not the intention of the WBS to equalize the work for the benefit of equity amongst the workers.

The whole of Chapter 3 is dedicated to Project Estimating and makes a valuable contribution to a subject that is difficult to master in practice. And we were pleased to see the authors advocate for estimate figures presented in terms of ranges with some percent probability of achievement. A minor lapse is that in discussing life cycle cost, the authors have referred to the ***project*** useful life when they obviously mean ***product*** useful life.[5]

In Chapter 4 on the subject of Cost Management, we were also pleased to see the authors advocate two different reserves: "contingency reserve" and "management reserve", and explain the difference and purpose of each. That is, the contingency reserve is for money to cover identified execution risks, while the management reserve is for risks not identified, which presumably includes necessary scope changes. The authors explain that the reason for the separation is to maintain more control over how each is spent. Moreover, they insist that neither should be a part of the baseline execution-tracking budget, but rather, required sums should be transferred, and documented on an as-needed-and-approved basis.[6]

The rest of Chapter 4 discusses the accounting side of cost management, but leaves cost tracking to the chapter on Earned Value. However, the authors do make the very critical point that

> "It is extremely important that the timing and quantity of the planned expenditures and the timing of the actual expenditures be synchronized."[7]

Otherwise the comparison will be optimistic or pessimistic depending on the discrepancy.

Chapters 6, 7, 8 and 10, dealing with human resources, organizational, risk, and earned value management respectively, are all solid chapters. This is especially so because they deal with these topics in the context of the very real project environment rather than in the context of general management as many other writers tend to do. For example, in discussing what to do with the project team at the end of the project in the pure project organization, the authors observe:

> "They achieve the goal. The project is on time and on budget, and the customer is satisfied. Everyone celebrates *while they are handing out the termination notices*."[8] (The emphasis is ours.)

In discussing risk management, the authors restrict themselves to those analysis techniques that really are useful in this aspect of project management, and demonstrate why and how. For example:

> "The expected value [from an expected value analysis] is extremely useful because it gives us a value that could be spent on the risk to avoid it. If the cost of avoiding a risk is less than its expected value, we should probably spend the money to avoid it. If the cost of corrective action to avoid the risk is greater than the expected value, the action should not be taken."[9]

That's an interesting point.

In discussing various risk mitigation strategies, the authors find it necessary to distinguish between the baseline budget for the work performed to plan, and the budgets covering contingent reserves. They refer to the baseline budget as the "operating budget". That is, in those cases where money has been put into the contingency budget or the management reserve to cover risks, when such events take place, money is transferred from the appropriate reserve allocation to the "operating" budget. This is a good strategy, as we noted earlier. However, we are not sure whether "operating budget" is the best descriptor because of the danger of confusion with the same term used in general management. Perhaps "performance" or "production" budget might have been better.

Downside

In our Introduction, we have already applauded the simple treatment of each topic so that anyone can understand the content. We have also applauded the fact that the authors have come down hard on a basic four-phase project life span. We are also pleased to see that the authors recognize that:

> "Any project will be managed by the five project management processes of initiating, planning, executing, controlling and closing. These processes will be used in every phase of the project."[10]

However, this position is somewhat compromised by a subsequent statement that says:

> "The project life cycle comprises the stages of a project from beginning to end. There are five phases that can overlap somewhat but generally take place in chronological order. They are, in order, initiating, planning, executing, controlling, and closeout."[11]

And later the authors say:

> "For our discussions we will use a generic description of the phases of the life cycle: initiation, planning, execution, control, and closeout."[12]

And:

> "The project management processes – initiation, planning, execution, control, and closeout – take place in each of the project phases, and the phases of the project must use all of the project management processes.[13]

We suspect that the authors know which is correct, but it is difficult to imagine how the concept of management control could be more confused.

With regard to the project life span, the authors observe that:

> "The project life cycle begins when the project first comes into existence. This usually occurs with the creation and approval of a project charter."[14]

We beg to differ. We believe that you should justify every idea or concept for a project with a Business Case. Approval of the Business Case by management then kicks off the project life span starting with the planning phases of the project. It also enables the creation of a conceptual planning or feasibility budget and a project cost account for collecting the actual project expendituress. For a very large project, it may even be necessary to create a cost account to capture the cost of developing the Business Case itself.

The Project Charter, on the other hand, comes later. This "Execution Bible" summarizes the strategic planning for the project and is presented for management approval of project execution and corresponding funding. This is where the major effort and consumption of resources takes place. However, this discrepancy between Business Case and Project Charter is somewhat understandable, because the PMBOK Guide fails to make the same distinction.

In their introduction, the authors discuss "the project management triangle or the triple constraint?" and then present a figure that displays Cost, Schedule and Scope on the triangle's faces with Customer Satisfaction in the middle. This is yet another variant of that wretched and obsolete triangle.

From the list of chapters in Book Structure, you will note that the PMI knowledge area "Contract/Procurement Management" is missing. This is a pity because even though many project participants feel that they are not involved in "contracting", in fact the principles apply just as much to internal resource commitments as they do to external legal contract commitments.

Perhaps the weakest chapters are Chapters 9 and 11 on Quality and Communications respectively. Both are short and generally describe these topics as applied to management and production management rather than as applied specifically to projects. As a matter of record, the PMBOK Guide's Project Communications Management knowledge area was originally titled Information/Communications Management. It thereby addressed the vital area of Records Management and so encompassed data management, including versioning, storage, retrieval and archiving. Turning to the quality area, we've always thought that only under rare conditions can all that statistical stuff be applied to projects. That's just because projects are unique and typically consist of relatively short-run activities.

Summary

This book is a valuable addition to any project manager's library, simply because it covers most of the basic project management territory, and does so in a way that is quick and easy to understand.

As the authors observe in their closing paragraphs:

> "Always remember that you are being watched by your people day and night. It is your responsibility that the project team members retain the vision of the overall goals of the project and believe in its successful results even in times of major problems. It is therefore important that you show a special attitude that can distinguish a loser from a winner. Even if you are not a winner, you have to look as if you are, and lead your team with a certainty that they may lack from time to time.
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> "To summarize, it is not necessary for you to be a good natural-born communicator. In some types of projects, especially internal ones such as organizational change, it is preferable to choose such a person for a project manager. But if you spend time and effort developing such skills in yourself, both using your own experience and insight and looking for it outside by observing other project managers, you can be successful."[15]

Good advice indeed!

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[1] Newel, M. W., & M. N. Grashina, *The Project Management Question and Answer Book*, AMACOM, NY, 2003, p2
[2] Ibid, p16
[3] Ibid, p30
[4] Ibid, p33
[5] Ibid, p50
[6] Ibid, p62
[7] Ibid, p67
[8] Ibid, p156
[9] Ibid, p186
[10] Ibid, p5

[11] Ibid, p6
[12] Ibid, p7
[13] Ibid.
[14] Ibid, p6
[15] Ibid, p249