



Sources, Cost and Time for Project Management

by **Tom Taylor**
Principal of dashdot
Joint founder of Buro Four
Vice President of APM

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2. Contents for today



- Introductions
- Possible sources of PM resources
- Types of PM costs on Projects
- When PM resources might be required
- Gradings of PM expertise


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 3. Introductions – Tom Taylor




- Very experienced, knowledgeable, award- and prize-winning project manager
- Mainly in construction in UK
- Over 30 years on projects
- Principal of dashdot – consultancy and publishing – www.dashdot.co.uk
- Joint-founder of Buro Four – eminent project management outfit – www.burofour.co.uk
- Vice-president of Association for Project Management (APM) in UK

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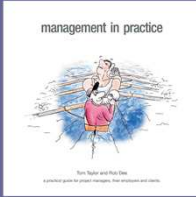
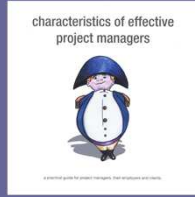
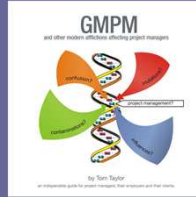
 4. Introductions – Tom Taylor cont'd

- Project manager, advisor, consultant, expert witness, lecturer at universities, speaker, chairman of conferences, writer, author, occasional broadcaster



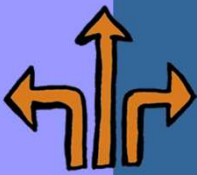
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dashdot 5. Introductions – Tom Taylor – Author: dashdot publications

 <p>recession survival</p>	 <p>recession recovery</p>	 <p>how to select the right Project Manager</p>
 <p>Management in Practice</p>	 <p>Characteristics of effective project managers</p>	 <p>Genetically Modified Project Management</p>

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dashdot 6. Setting off



- When setting off on a voyage it is always good to have a reasonable idea of what might constitute a happy ending.
- “What is success?”
- So it is with projects.
- Who is going to plan for the journey/project and get us there?

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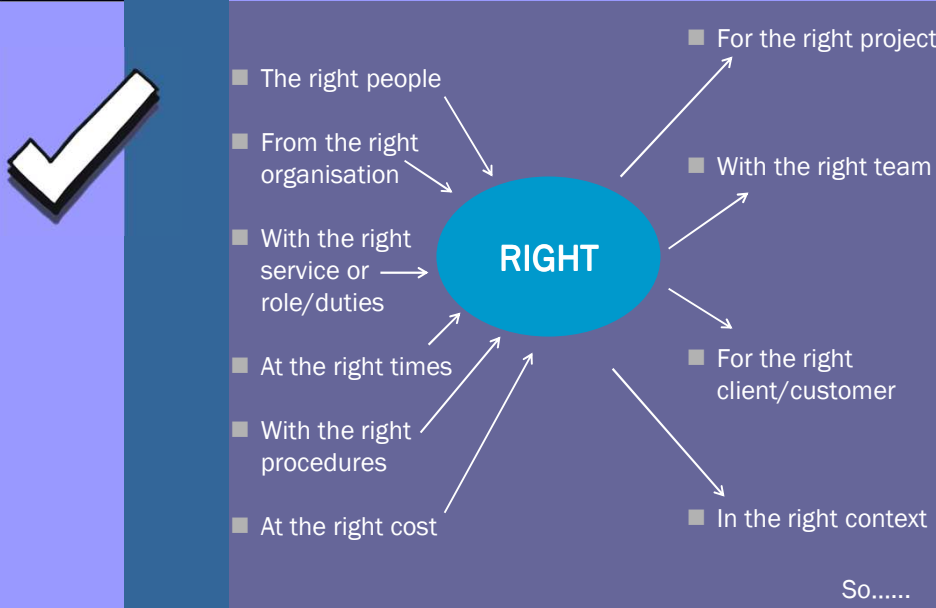
dashdot 7. Assistance



- Project management and project managers can assist with planning and going on the voyage to get to a happy ending.
- Who is this programme manager?

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dashdot 8. The Right Combination



- The right people
- From the right organisation
- With the right service or role/duties
- At the right times
- With the right procedures
- At the right cost
- For the right project
- With the right team
- For the right client/customer
- In the right context

So.....


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Possible Sources of PM Resources

- where can I find a good project manager?

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10. Sources



1. **In-house** – use in-house staff
2. **Within a package** – as part of a larger package of goods or services
3. **Bought-in** – contract staffing, interim management
4. **Separate service** – independent organisations
5. **Self-management** – client involvement in project related management aspects

Options / Combinations / Stages / Transfers


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Types of PM Costs on Projects

- direct and indirect costs
- some issues on costs

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12. Direct Costs



- 1. In-house**
 - Salaries, pensions, taxes
 - overheads, support, cover, training, career
- 2. Within a package**
 - priced management service?
 - price or cost
- 3. Bought in**
 - rates x duration
 - single/multiple focus
 - downtime, continuity
 - supervision, cover, training
- 4. Separate Service**
 - fee
 - percentage or lump sum
 - part or whole project or duration
- 5. Self Management**
 - low cost?, availability
 - hidden costs - support advisors

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dashdot 13. Indirect costs



- **Expenses**
 - travel, hotels, printing, couriers, refreshments
- **Setup**
 - accommodation, computers, equipment
- **Running costs**
 - utilities, consumables, insurances
- **PMO**
 - project, programme or portfolio office
- **Overhead**
 - supervision, mentoring, troubleshooting, crisis
 - training, cover



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dashdot 14. Issues on PM Costs




- Start to end = duration of costs and then some more
- Importance of timing
- Comparisons – PM alternatives on this project, PM on other projects, with other services
- Proportion – of project cost, reasonableness
- Contingency – for extras, changes, delay, overtime
- Value – “save the fee”
- Comfort, insurance, assurance, continuity
- People or price?
- Collective Programme and Portfolio approach to costs

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Times when PM Resources might be required - in the project life-cycle

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16. Primary Stages

1 → →	2 → →	3 → →	4 →
Direction	Definition	Delivery	Use
Concept	Design	Execution	Use
Feasibility	Pre-construction	Construction	Use
Concept Brief	Design Procurement	Installation	Use
Opportunity Identification	Design and Development	Implementation and Testing	Handover Post Project Evaluation

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dashdot 17. Project Life Cycle

Extended life cycle

Project life cycle

Concept

X

Definition

X

Implementation

X X X

Design # Build

Handover and closeout #

Operations

Termination

Business case

Project management plan (PMP)

X Project evaluation review
Gate review
◆ Post-project review
○ Benefits realisation review

Figure 6.1 The project and extended life cycles

¹ There are also other life cycles such as those used in PFI and PPP arrangements.
² Each project life cycle phase needs to go through its own project management phases, such as starting or initiating, defining and planning, monitoring and controlling, learning and closing.
³ The extended life cycle is also called a product life cycle or acquisition life cycle and is often the basis for through life-costing.


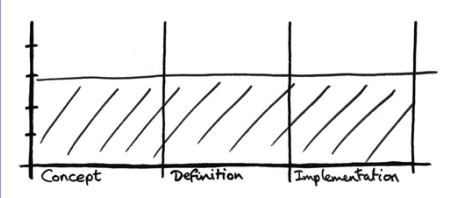
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dashdot 18. PM Resourcing Options

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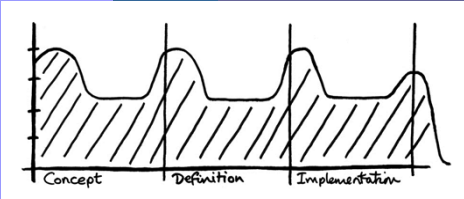
A. Consistent and Simple



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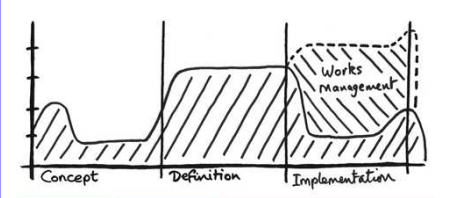
dashdot 18. PM Resourcing Options

A. Consistent and Simple
B. Early Involvement




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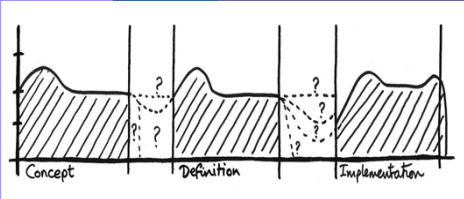


A. Consistent and Simple
B. Early Involvement
C. Pre-works Emphasis




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dashdot 18. PM Resourcing Options



A. Consistent and Simple
B. Early Involvement
C. Pre-works Emphasis
D. Stop Start



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dashdot 18. PM Resourcing Options

A. Consistent and Simple
 B. Early Involvement
 C. Pre-works Emphasis
 D. Stop Start
 E. Changes of Managers

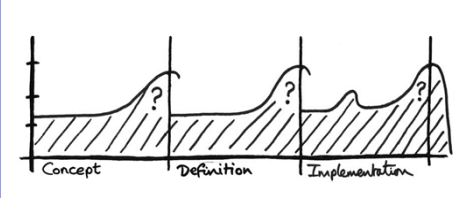

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dashdot 18. PM Resourcing Options

A. Consistent and Simple
 B. Early Involvement
 C. Pre-works Emphasis
 D. Stop Start
 E. Changes of Managers
 F. Package Supplier Including Management

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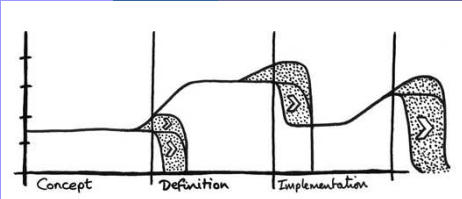

dashdot 18. PM Resourcing Options

- A. Consistent and Simple
- B. Early Involvement
- C. Pre-works Emphasis
- D. Stop Start
- E. Changes of Managers
- F. Package Supplier Including Management
- G. Slow Management Mobilisation**

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dashdot 18. PM Resourcing Options

- A. Consistent and Simple
- B. Early Involvement
- C. Pre-works Emphasis
- D. Stop Start
- E. Changes of Managers
- F. Package Supplier Including Management
- G. Slow Management Mobilisation
- H. Delays**


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The gradings of PM expertise

– not all project managers are the same

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20. General Aspects



- PM duties on projects can be simple and standard
- OR they can be complex and unique
- They can be combined with other obligations
- But the people who undertake the duties are all different and individuals
- What PM gradings are expected/required/provided?

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dashdot 21. Possible Gradings of Project Managers




- Technical Support / Assistance
- Assistant Project Managers
- Project Manager
- Senior Project Manager
- Associate
- Associate Director for Project Management
- Project Leader – Topmost

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dashdot 22. Possible Range of Duties For Project Managers



- General description
- Project Duties
- Resources and duration
- Project Status
- Training and standards
- Sector Knowledge
- Administration
- Project Mentoring
- Health and Safety



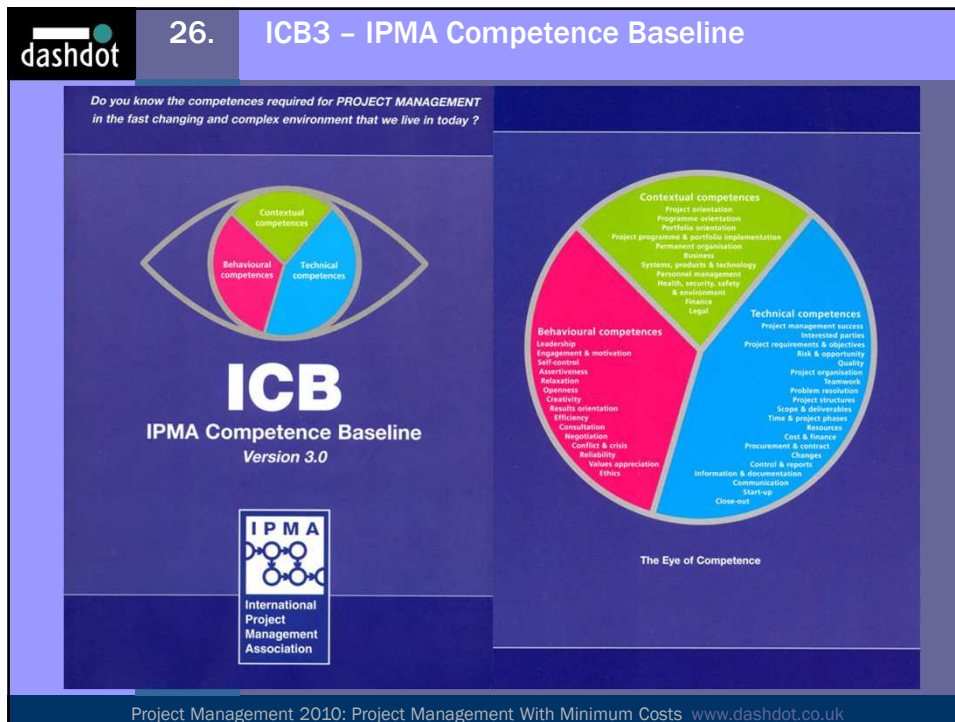
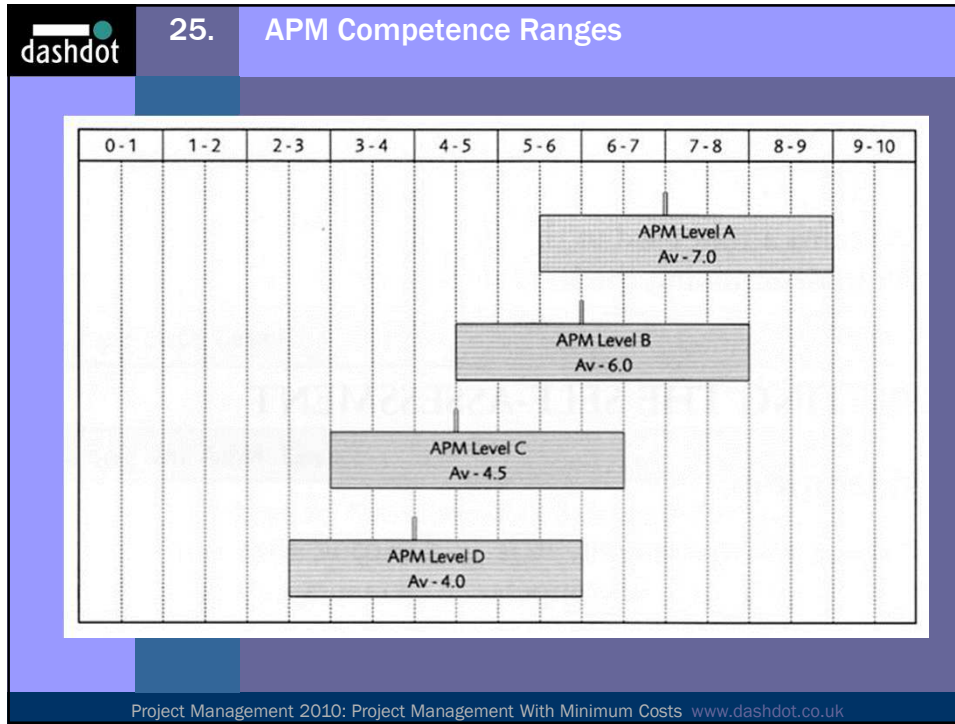
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dashdot		23. Gradings and Duties					
	Technical	Assistant PM	Project Manager	Senior PM	Associate	Associate Director	Project Leader
General Description							
Project Duties							
Resources and Duration							
Project Status							
Training and standards							
Sector Knowledge							
Administration							
Project Mentoring							
Health and Safety							

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dashdot		24. Competence Levels - APM Competence Framework																																																																																																																																																																																																																																																																																																					
 		<p>SELF ASSESSMENT SUMMARY SHEET</p> <p>NAME: _____ DATE: _____</p> <table border="1"> <thead> <tr> <th colspan="3">Technical competence elements</th> <th colspan="3">Behavioural competence elements</th> <th colspan="3">Contextual competence elements</th> </tr> <tr> <th>Code</th> <th>Name</th> <th>Rating</th> <th>Code</th> <th>Name</th> <th>Rating</th> <th>Code</th> <th>Name</th> <th>Rating</th> </tr> </thead> <tbody> <tr> <td>TC01</td> <td>Concept</td> <td></td> <td>BC01</td> <td>Communication</td> <td></td> <td>CC01</td> <td>Project sponsorship</td> <td></td> </tr> <tr> <td>TC02</td> <td>Project success and benefits management</td> <td></td> <td>BC02</td> <td>Teamwork</td> <td></td> <td>CC02</td> <td>Health, safety and environmental management</td> <td></td> </tr> <tr> <td>TC03</td> <td>Stakeholder management</td> <td></td> <td>BC03</td> <td>Leadership</td> <td></td> <td>CC03</td> <td>Project life cycles</td> <td></td> </tr> <tr> <td>TC04</td> <td>Resource management</td> 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management of a project with limited complexity.</p> <p>Level D: Has the knowledge required and may execute some of the indicators in supporting a project manager and/or project team.</p> <p>TC: technical competence; BC: behavioural competence; CC: contextual competence. Instructions for completion can be found in section 1.9.</p>						Technical competence elements			Behavioural competence elements			Contextual competence elements			Code	Name	Rating	Code	Name	Rating	Code	Name	Rating	TC01	Concept		BC01	Communication		CC01	Project sponsorship		TC02	Project success and benefits management		BC02	Teamwork		CC02	Health, safety and environmental management		TC03	Stakeholder management		BC03	Leadership		CC03	Project life cycles		TC04	Resource management		BC04	Conflict management		CC04	Project finance and funding		TC05	Project risk management		BC05	Negotiation		CC05	Legal awareness		TC06	Estimating		BC06	Human resource management		CC06	Organisational roles		TC07	Business case		BC07	Behavioural characteristics		CC07	Organisation structure		TC08	Marketing and sales		BC08	Learning and development		CC08	Governance of project management		TC09	Project reviews		BC09	Professionalism and ethics					TC10	Definition								TC11	Scope management								TC12	Modelling and testing								TC13	Methods and procedures								TC14	Project quality management								TC15	Scheduling								TC16	Resource management								TC17	Information management and reporting								TC18	Project management plan								TC19	Configuration management								TC20	Change control								TC21	Implementation								TC22	Technology management								TC23	Budgeting and cost management								TC24	Procurement								TC25	Issue management								TC26	Development								TC27	Value management								TC28	Contract and management								TC29	Value engineering								TC30	Handover and closure							
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27.

Conclusions – sources, cost and time for project management



Sources

- there is always choice
- options and combinations
- to suit stages

Costs

- think about cost of PM
- full cost comparisons
- but not just cost

Time


- to suit stages
- be flexible

Resolve sources, costing and timing of project management = on the way to success

Get it right!


Project Management 2010: Project Management With Minimum Costs www.dashdot.co.uk

Thank you
Best Wishes
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