

Chapter

1

PROJECT MANAGEMENT PRINCIPLES

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THE TRIPLE CONSTRAINT

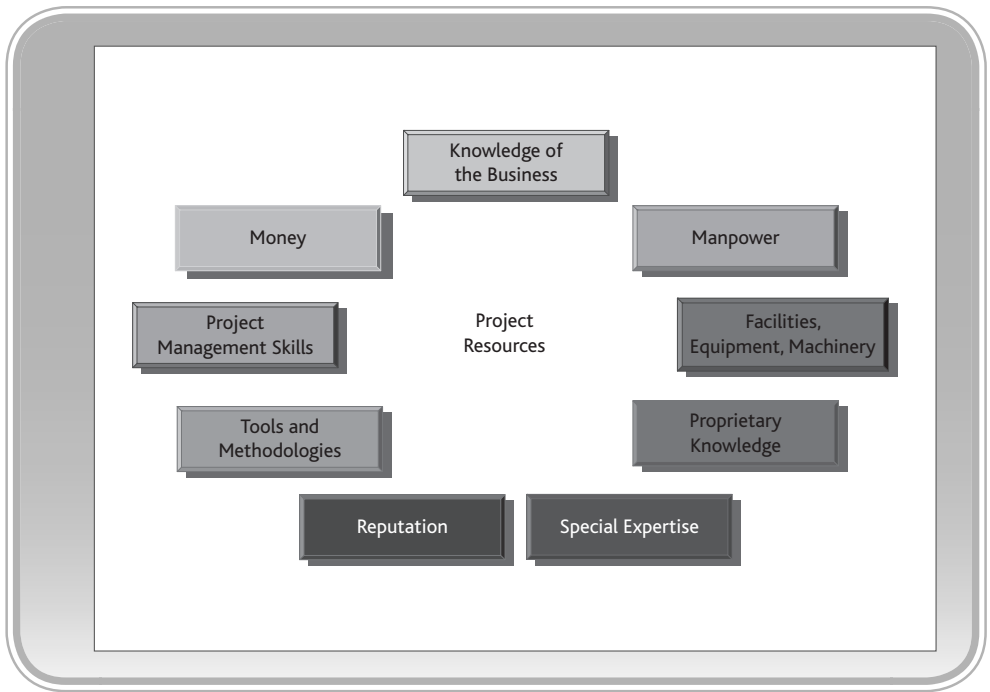


Effective project management is an attempt to improve the efficiency and effectiveness of an organization by arranging for work to flow multidirectionally through the organization. Project management was developed to focus on organizational activities that had the following characteristics:

- Unique or one-of-a-kind deliverables
- A well-defined objective
- Predetermined constraints regarding time, cost, and performance/technology/quality
- Requires the use of human and nonhuman resources
- Has a multidirectional work flow

From an executive perspective, the figure illustrates the basic goal of project management, namely, meeting the objectives associated with the triple constraint of time, cost, and performance while maintaining good customer relations. Unfortunately, because most projects have some unique characteristics, highly accurate estimating may not be possible and trade-offs between the triple constraint may be necessary. Executive management must be involved in almost all of the trade-off discussions to make sure that the final decision is made in the best interest of both the project and the company. Project managers may possess sufficient technical knowledge to deal with many day-to-day decisions regarding project performance but may not have sufficient business knowledge to adequately address and care for the higher-level, broader interests of the company.

TYPES OF PROJECT RESOURCES



This illustration shows the various project resources that project managers may or may not have under their direct control. Some of these resources require additional comment.

- *Money.* Once budgets are established and charge numbers are opened, project managers focus more on project monitoring of the budget rather than management of the budget. Once the charge numbers are approved and opened, the respective line managers or functional managers control the budgets for each work package.
- *Resources.* The human resources required for the project are usually assigned by the line managers, and these resources may be under the direct control of the line managers for the duration of the project. Also, even though the employees are assigned to a project team, their line managers may not authorize them to make decisions that affect the functional group without first obtaining approval from the line managers.
- *Business knowledge.* Project managers are expected to make decisions that will benefit the business as well as the project. This is why executives must interface with projects—to provide project managers with the necessary business information for decision making.

