

1.2: Project Management (PM) Definition

Project

A project has distinctive attributes that distinguish it from ongoing work or business operations. Specifically, projects are temporary in nature. Therefore, they are not an everyday business process but they are unique and have definitive start dates and end dates. This characteristic is important because a large part of the project effort is dedicated to ensuring that the project is completed at the appointed time. To do this, schedules are created showing when tasks should begin and end. Projects can last minutes, hours, days, weeks, months, or years.

Projects exist to bring about a product or service that has not existed before. In this sense, a project is unique. Unique means that this is new; it has never been done before. Maybe it's been done in a very similar fashion before but never exactly in this way. For example, although the Ford Motor Company is in the business of designing and assembling many kinds of vehicles, each model that Ford designs and produces can be considered a unique project. The models differ from each other in their features and are marketed to people with various needs. An SUV serves a different purpose and clientele than a luxury car. The design and marketing of these two models are unique projects. However, the actual assembly of the cars is considered an operation (i.e., a repetitive process that is followed for most makes and models).

Watch the Video: Projects vs Operations to understand the differences and similarities.



Definition of a Project

There are many written definitions of a project. All of them contain the key elements described above. However, for those looking for a formal definition of a project, the Project Management Institute (PMI) defines a project as a temporary endeavour undertaken to create a unique product, service, or result. The temporary nature of projects indicates a definite beginning and end. The end is reached when the project's objectives have been achieved when the project is terminated because its objectives will not or cannot be met, or when the need for the project no longer exists.

The term "project" is used in several ways in popular culture, from describing everyday tasks (planting a garden, hanging a picture, running errands) to large-scale enterprises (building a house, constructing a new highway). However, when professional project managers talk about projects, they use a narrower definition. Let's start out with the six defining characteristics of a project. Just about every book, organization, or standards body in the project management field agrees that a project:

- is a temporary endeavour, with a defined start and end.
- has a specific objective.
- has customers or stakeholders.
- has constraints, such as time, cost, and scope.
- has measures for success.
- includes some amount of uncertainty.

Watch the video: What is a Project for more information on how these six aspects help define what a project is and is not.



Watch this Video: [What is a Project?](#) by [Prof C](#) [3:23] (Transcript Available).

Project Management

“Project management is the application of knowledge, skills, tools, and techniques to project activities to meet the project requirements” (Project Management Institute, Inc., 2008). This simple definition represents a compromise that resulted from intense discussions within the Project Management Institute (PMI) during the 1980s. One of the priorities of PMI during this time was the development of project management as a profession. PMI developed *A Guide to the Project Management Body of Knowledge (PMBOK Guide)* and the project management certifications to promote the understanding and development of the project management field and to share best practices, creating a common language among professionals.

Jack Meredith and Samuel Mantel (Meredith & Mantel Jr., 2006) discussed project management in terms of producing project outcomes within the three objectives of cost, schedule, and specifications. Project managers are then expected to develop and execute a project plan that meets cost, schedule, and specification parameters. According to this view, project management is the application of everything a project manager does to meet these parameters. This approach to defining project management shares PMI’s focus on the project outcomes in terms of requirements.

Meredith and Mantel added a fourth aspect of project management—the expectations of the client. One client-centered definition of project management is the application of knowledge, skills, tools, and techniques to meet or exceed the expectations of the client. This definition focuses on delivering a product or service to the client that meets expectations rather than project specifications. It is possible to meet all project specifications and not meet client expectations or fail to meet one or more specifications and still meet or exceed a client’s expectation (Darnall, 1996).

Meredith and Mantel discussed a tendency noted by Darnall (Darnall, 1996) that expectations often increase during the life of a project. Meredith and Mantel suggest that this is a form of scope increase. A project scope is a carefully crafted document that reflects the performance specifications of the project deliverables. Defining the project scope and managing scope change is a very different process from developing an understanding of a client’s expectations and managing those expectations. Darnall focused on defining and managing client expectations as a critical project management skill that is distinct from scope development and management.

Client expectations encompass an emotional component that includes many client desires that are not easily captured within a specification document. Although closely correlated with project specifications, client expectations are driven by different needs. It is possible for a project team to exceed every project specification and end up with an unsatisfied client.

Highway Project

The Department of Highways in South Carolina was exploring ways to reduce the road construction costs and developed new contracting processes to allow the road builders to bring new ideas for cutting costs. On one project, the contractor proposed cost-cutting ideas throughout the life of the project. At each phase, the client accepted many of the ideas and then revised the budget. The client promoted the revised cost target of the project as an example of the success of the new process. By the end of the project, the final cost was less than 1 percent over the newest target. Although the total cost of the project was almost 10 percent less than the original cost projections and contract obligations, the success of the project was connected to the new expectations that developed during the life of the project. Even though this project performance exceeded the original goal, the client was disappointed.

The reverse is also true. A project can be late and over budget and the client can be satisfied. Although this may be counterintuitive, the response of a client to the events of a project is complex and goes beyond the data related in project specifications.

Biotech Project

A biotechnology company developed a new drug that proved to have a large market demand, and the team that developed the drug was assigned to build a new manufacturing facility to produce the drug. The project manager for the construction company that was awarded the contract to build the manufacturing facility managed the project effectively. Every request for a change in scope was approved, and the result was a 20 percent increase to the total cost of the project. On most projects, a 20 percent increase in the project cost would be considered poor performance. For the client's project team, who were accustomed to complex projects with a large number of unknown issues that increase the final cost of the project, a 20 percent overrun in cost was not unusual. Even though the project was 20 percent over budget, the client was happy. Client satisfaction is often tied to expectations about project performance. Identifying and managing those expectations is a primary responsibility of the project manager.

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