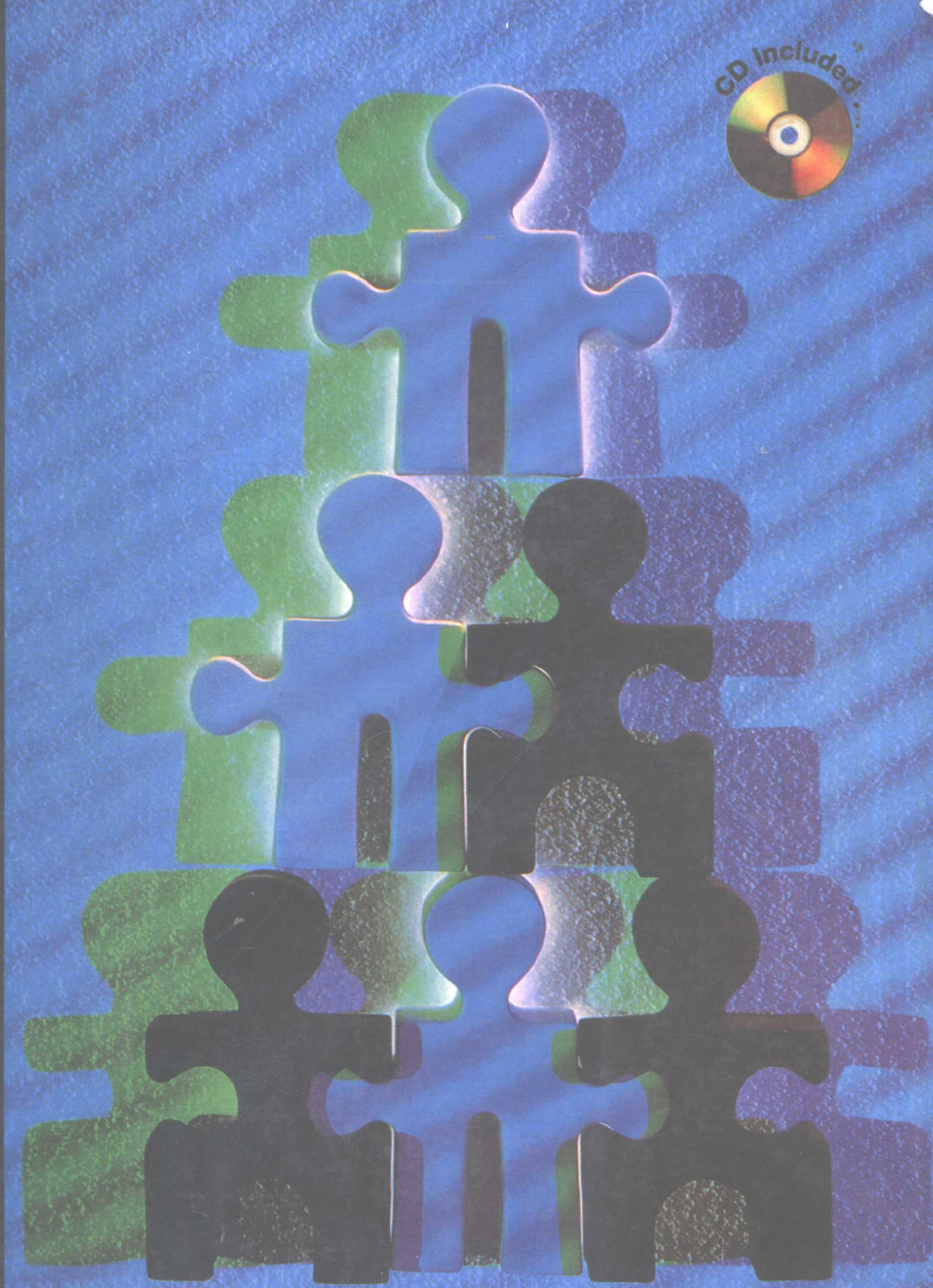
Project Management

The Managerial Process



Clifford F. Gray / Erik W. Larson

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The Managerial Process

Clifford F. Gray
Oregon State University

Erik W. Larson
Oregon State University

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ABOUT THE AUTHORS

CLIFFORD F. GRAY is professor emeritus of management at the College of Business, Oregon State University. He continues to teach undergraduate and graduate project management courses overseas and in the United States; he has personally taught more than 100 executive development seminars and workshops. His research and consulting interests have been divided equally between operations management and project management; he has published numerous articles in these areas, plus a text on project management. He has also conducted research with colleagues in the International Project Management Association. Cliff has been a member of the Project Management Institute since 1976 and was one of the founders of the Portland, Oregon, chapter. He has been the president of Project Management International, Inc. (a training and consulting firm specializing in project management) since 1977. He received his BA in economics and management from Millikin University, MBA from Indiana University, and doctorate in operations management from the College of Business, University of Oregon.

ERIK LARSON is professor and chairman of the department of management, marketing, and international business at the College of Business, Oregon State University. He teaches executive, graduate, and undergraduate courses on project management, organizational behavior, and leadership. His research and consulting activities focus on project management. He has published numerous articles on matrix management, product development, and project partnering. He has been a member of the Portland, Oregon, chapter of the Project Management Institute since 1984. In 1995 he worked as a Fulbright scholar with faculty at the Krakow Academy of Economics on modernizing Polish business education. He received a BA in psychology from Claremont McKenna College and a PhD in management from State University of New York at Buffalo.

To Mary, Kevin, and Robert
C.F.G.
To Ann, Mary, Rachel, and Tory
E.L.

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PREFACE

Our motivation for writing this text was to provide for our students a text built around a holistic, integrative view of project management. A holistic view of project management focuses on how projects contribute to the strategic goals of the organization. The linkages for integration include the process of selection of projects that best support organizational strategy and all the technical and managerial processes to complete those projects. The goals for prospective project managers are to clearly understand the role of a project in their organizations and to master project management tools/techniques and interpersonal skills necessary to orchestrate projects to completion.

The role of projects in organizations is receiving increasing attention. Projects are becoming the major tool for reaching the strategic goals of the organization. Given savage worldwide competition, many organizations have reorganized around a philosophy of innovation, renewal, and organizational learning to survive. This philosophy suggests an organization that is flexible and project driven. Project management has developed to the point where it is a professional discipline having its own body of knowledge and skills. Today it is nearly impossible to imagine anyone at any level in the organization who would not benefit from some degree of expertise in the process of managing projects.

AUDIENCE

This text is written for a wide audience. Students and prospective project managers will find the text useful to understand why organizations have developed a formal project management process to gain a competitive advantage. Readers will find the concepts and techniques discussed in enough detail to be immediately useful in new-project situations. Practicing project managers will find the text a useful guide and reference for typical problems that pop up. Managers will also find the text useful to understand the role of the project in the mission of their organization. Analysts will find the text useful in explaining the data needed and the operations of inherited or purchased software. Members of the Project Management Institute will find the text a use-

ful handbook when preparing for project management certification. People at all levels in the organization assigned to work on projects will find the text useful in providing the rationale behind project management tools and techniques and will gain insights on how to enhance their contributions to project success.

Our emphasis is not only on *how* the management process works, but more importantly *why* it works. The concepts, principles, and techniques are universally applicable. That is, the text does not specialize by project type—for example, construction, product development, large, small. Rather, the text is written for the individual who will be required to manage a variety of projects. In the case of some small projects, a few of the steps of the techniques can be omitted, but the conceptual framework applies to all organizations in which projects are important to survival. The approach can be used in pure project organizations such as construction, research organizations, and consultant engineering firms. Organizations that spend most of their daily effort producing products or services will find the text useful in managing the many small projects that are going on while the daily production continues.

CONTENT

The text addresses the major questions and issues the authors have encountered over their 50 combined years of teaching project management and consulting with practicing project managers in domestic and foreign environments. The following questions represent the issues and problems practicing project managers find consuming most of their effort: What is the strategic role of projects in contemporary organizations? How are projects prioritized? What organizational and managerial styles will improve chances of project success? How do project managers orchestrate the complex network of relationships involving vendors, subcontractors, project team members, senior management, functional managers, and customers that affect project success? What factors contribute to the development of a high-performance project team? What project management system can be set up to gain some measure of control? How do managers prepare for a new international project in a foreign culture? Can senior management change the organizational culture to support projects?

Project managers must deal with all these concerns to be effective. All of these issues and problems represent linkages to an integrative project management view. The chapter content of the text has been placed within an overall framework that integrates these topics in a holistic manner. Cases and snapshots are included from the experiences of practicing managers. The future for project managers appears to be promising. Careers will be determined by success in managing projects.

ACKNOWLEDGMENTS

The text includes contributions from numerous students, colleagues, friends, and managers gleaned from professional conversations. We want them to know we sincerely appreciate their counsel and suggestions. Almost every exercise, case, and example in the text is drawn from a real-world project. Special thanks to managers who graciously shared their current project as ideas for exercises, subjects for cases, and examples for the text. Shlomo Cohen, Pat Taylor, and John Wold, whose work is printed, are gratefully acknowledged. Special gratitude is due Robert Breitbarth of Interact Management, who shared invaluable insights on prioritizing projects. University students and managers deserve special accolades for identifying problems with earlier drafts of the text and exercises.

We would like to thank the reviewers of this book who contributed significantly to the final product. They include S. Narayan Bodapati, Southern Illinois University at Edwardsville; Warren J. Boe, University of Iowa; Burton Dean, San Jose State University; Kwasi Amoako-Gyampah, University of North Carolina–Greensboro; Owen P. Hall, Pepperdine University; Michael R. Godfrey, Winona State University; Bruce C. Hartman, University of Arizona; Richard Irving, York University; Robert T. Jones, DePaul University; Richard L. Luebbe, Miami University of Ohio; William Moylan, Lawrence Technological College of Business; Edward Pascal, University of Ottawa; James H. Patterson, Indiana University; Art Rogers, City University; Christy Strbiak, U.S. Air Force Academy; David A. Vaughan, City University; and Ronald W. Witzel, Keller Graduate School of Management.

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Clifford F. Gray
Erik W. Larson

NOTE TO STUDENT

You will find the content of this text highly practical, relevant, and current. The concepts discussed are relatively simple and intuitive. As you study each chapter we suggest you try to grasp not only *how* things work, but *why* things work. You are encouraged to use the text as a handbook as you move through the three levels of competency:

I know.

I can do.

I can adapt to new situations.

Project management is both people and technical oriented. Project management involves understanding the cause-effect relationships and interactions among the sociotechnical dimensions of projects. Improved competency in these dimensions will greatly enhance your competitive edge as a project manager.

The field of project management is growing in importance and at an exponential rate. It is nearly impossible to imagine a future management career that does not include management of projects. Résumés of managers will soon be primarily a description of the individual's participation in projects and their respective contributions.

Good luck on your journey through the text and on your future projects.

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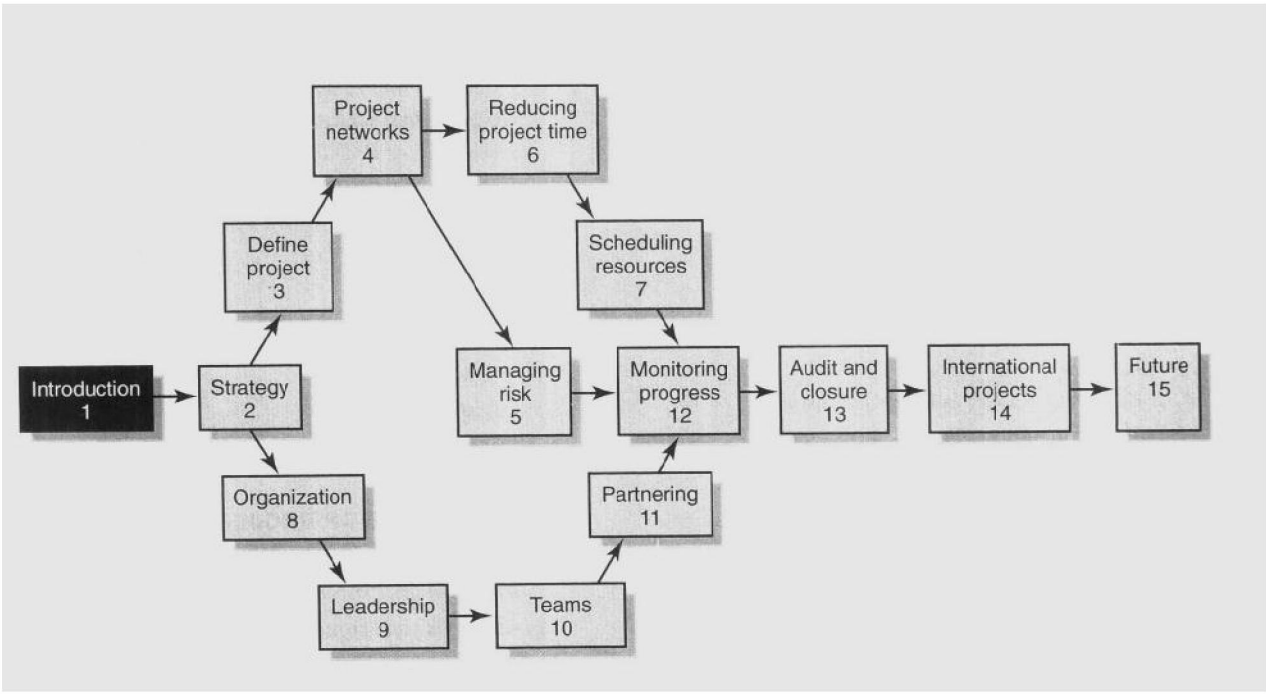

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