

PMI Breakfast Roundtable South

Meeting Minutes

Dec. 3, 2004

Facilitator: Mark Kresge

Scribe: Roger Parish

Minutes: Ginny McKee

Attendees: Marilee Camblin, Theresa Knox, Mark Kresge, Sean Lane, John Lassell, Kirk Maddox, Nick Maddox, Ginny McKee, Eric McLellan, Deb Nearman, Alexandra Ness, Roger Parish, Kevin Rumzek, Lynne Rosenfield, Brandon Rydell, Michael Steensma, Alan Strong, and George Walker.

Topic I: Earned Value Management

Roger Parish presented on this topic due to his extensive background with EVM and shared the following:

Earned Value Management (EVM) is a method in which the value of work is credited as the work is completed. It is a scientific method for tracking projects, assuming that one can only measure what one can manage and vice versa. EVM is important where knowledge of the budget is important. It is also helpful in being able to see trends that may give a fairly accurate representation of what the end results for schedule or cost may be.

Although EVM does take a fair amount of work to provide, it can help prevent surprises. The measurement is tailored to what management is interested in knowing. Without EVM, it is difficult to objectively determine how well a project is going. In spite of the benefits of EVM, it is oftentimes not used because of the effort involved in setting it up, difficulty of implementing using standard project management tools, and confusion for people not familiar with EVM.

EVM is used quite a bit in government work, partially as a result of the government outsourcing so much work. An expectation is being set that you must be competent in EVM, metrics, and management for work with the government. It is important to understand Cost Accounting to work with EVM effectively.

It is important that management understand how Earned Value (EV) is being calculated. There are multiple methods to calculate EV which include the following variables: actual value (AV), earned value, and planned value (PV). EV can be calculated using either dollars or hours; where people are sensitive to pay, it may be more appropriate to track EV by labor hours. Note that the experience level of staff must be taken into account when estimating hours. Also, it may be appropriate to change the baseline used for tracking if there have been significant changes to the budget or scope or if there has been a major interruption to the project. Management overhead may be included in calculations but is discretionary.

Typically, management is interested in:

Cost variance (CV) = EV – AC (actual cost)

Schedule variance (SV) = EV – PV

If the earned value is greater than the cost variance or schedule variance, the earned value is positive and considered good. If the earned value is less than the actual cost, the earned value is negative and considered bad.

Time variance (TV) shows the number of days that the project is ahead or behind of schedule. The schedule variance (SV) reflects dollars rather than time.

Topic II: Managing New, Certified Project Managers

The topic was brought up to address issues with project managers that are certified and may know the theory behind project management but do not necessarily have the soft skills needed to successfully run projects. It has been shown that 80% of all project problems are related to communication. And while PMP focuses on technical skills, the soft skills are not taught. Many would suggest that a person does not need to be a Subject Matter Expert to successfully manage a project; however, it is important to have honed the soft skills.

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It is important that project managers know the important components of communication and messages. The two components are the message itself and the person delivering the message. The right person is needed to deliver the message at the right time. It is important to understand what needs to be communicated with status messages: 1) the success of the project or 2) reassurance in the face of fear or failure.

There is a difference working with employees vs. contractors in that:

- Contractors tend to focus more heavily on schedules
- It is easier to remove a contractor than an employee if a project is at risk
- It is easier to schedule classes for employees to bring them up to date on skills needed for the job

Ideas to help develop the soft skills of project managers include:

- Brown bag sessions which provide a safe haven to discuss problems, issues, etc. They should include both senior and junior project managers.
- Use of a mentoring program which also provides a safe environment for developing PM skills. In a mentoring program, a senior PM would be paired with a more junior PM. It is important that the mentor be willing to work with the new PM and that the strengths and weaknesses of the junior PM be known.
- Partner a technical PM with a business manager and/or project planner.
- Use situation training by providing a situation and asking the group how to deal with it. This helps teach the use of people, communication, and negotiation in project management.

Miscellaneous

The chapter meeting location is being changed from the Greenwood Inn. Attendees should check the Portland PMI newsletter, website, or email to confirm location of future meetings.

New roundtables have been established in central Oregon and the Eugene/Springfield area. They meet in the evening.

OGI has new classes in the Project Management area and they are changing frequently. Check their schedule for more information.

The PMP certification course is beginning in January and the target audience is for those actively preparing for the exam. An announcement is forthcoming about the course since there is currently a wait list but additional courses may be offered to offset the demand.

MCM Project Management offers courses in Project Management Tools and Techniques which provide 4 PDUs. They are geared for administrators or project managers. They also have a workbook on PMI methodology and templates available. See their website at www.mcmprojectmanagement.com or contact Kirk Maddox at 360-567-0886.

A new partnership with Clackamas Community College is being set up. Advise Roger Parish if you are interested in being involved with this.