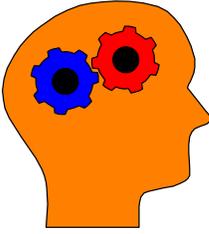


Article category: EDITORIAL



PMBOK *picks the world's finest brains*

*By Terry Deacon**

It is a tribute to the authors of the 1996 version of the Guide to the Project Management Body of Knowledge (PMBOK® Guide) that, in this rapidly changing world, it has only now been deemed necessary to update this document. Furthermore, the amendments are more of a tune-up, than a major overhaul.

The PMBOK® Guide has picked the brains of the finest project managers around the world since its conception in 1983 and underwent a major revision in 1987. It was no mean feat to condense the essence of what is generically used on a wide spectrum of projects from application areas as diverse as information technology, engineering, research and development, event management, property development, marketing, the arts, etc, to a concise 180-page document.

The PMBOK® Guide has become the *de facto* global standard for project management and has been adopted by the American National Standards Institute (ANSI), as well as the Institute of Electrical and Electronic Engineers (IEEE). The Australian Institute of Project Management has used the PMBOK knowledge areas as the nine domains of the National Competency Standards for Project Management.

The PMBOK® Guide 2000 Edition (PMBOK 2000) is now available from the international Project Management Institute or from the ProjectPro website. I have based ProjectPro's training courses on PMBOK practices and have put them to good use. I have scrutinised the PMBOK 2000 and would like to share my thoughts with our readers.

Of the nine knowledge areas, it is only the risk management chapter that has been completely rewritten and restructured. The PMBOK 2000 suggests that the previous four risk processes should be expanded to six, i.e.: risk management planning (new), risk identification, risk assessment (new), risk quantification, risk response planning, and risk monitoring and control.

Too often we jump straight into identifying risks without planning our approach properly i.e. investigating organisational aspects, selecting a risk methodology, staffing of risk management activities, sourcing of data and making decisions on a time-frame for analysis. The tools and techniques for risk identification have been expanded to include brainstorming, Delphi technique, checklists, assumption analysis, SWOT analysis, and diagramming techniques such as cause-and-effect and influence diagrams.

The PMBOK 2000 states that *force majeure* risks like earthquakes, floods, civil unrest, etc. are not generally considered project risks. Certainly, *force majeure* risks are not included in the project contingency budget, as they come out of management

reserve or owner's contingency, but these risks have to be addressed by the project management team to safeguard the lives and health of the project stakeholders as far as possible. This brings us to a shortcoming, in my opinion, in the 1996 PMBOK® Guide. Project health and safety matters are given short shrift as they are only mentioned in one brief sentence under human resources management.

The Theory of Constraints (TOC) which was first applied to project management in the form of the Critical Chain Method (CCM) in 1997 has been recognised in the PMBOK 2000. CCM created quite a storm in project management circles, as some people claimed that it was not really a new method, but just resource constrained scheduling dressed up to look like something new.

The PMBOK® Guide plays a very important role in defining terminology so that a needed global standard is set for the profession. For instance, there are many names for the organisation providing goods and services to a project. These include contractor, vendor, seller, and supplier. The PMBOK 2000 suggests we use *supplier*.

Another area where terminology has been addressed is in earned value analysis. It is suggested that the three values preferably be called: Earned Value (EV); Planned Value (PV); and Actual Cost (AC).

The role of the *project office* is now acknowledged as a formalised structure that supports the project management community within an organisation. Support could include scheduling, costing, software, methodologies, training, etc. The PMBOK 2000 distinguishes between a *project office* and a *project management office*, the latter being the organisation where the project managers and project teams reside.

I was surprised to see that the project *sponsor* is still incorrectly described in PMBOK 2000. It states that the "*Sponsor* is the individual or group within the performing organisation who provides the financial resources, in cash or in kind, for the project." This is the function of the project *financier*. In fact, the *sponsor* is responsible for much more than this.

A *sponsor* is a crucial link between the project and the organisation. By virtue of their senior position, *sponsors* can help project managers obtain scarce resources, remove obstacles, test ideas, and solve problems. They can also play a mentoring role, particularly in a weak or balanced matrix organisational structure, where the strong matrix position of project director or manager of projects is absent. *Sponsors* can counsel, suggest further training, discipline, or if all else fails, fire the project manager if he/she is still not performing, and recommend termination of the project if necessary.

Another important function is to feed back lessons learned from the operating life cycle of the project product into the quality management system, so that continuous improvement takes place.

A good definition of a *sponsor* can be found in Max Wideman's *Comparative Glossary of Common Project Management Terms* available on the internet at www.pmforum.org/library/glossary – "A *sponsor* is the executive who manages, administers, monitors, funds, and is responsible for the overall project delivery."

One of the characteristics of the PMBOK 2000 that I enjoy is the interesting and readable language used. I love the phrase in project scope management where they state very eloquently, " ...anything not explicitly included is implicitly excluded." Another memorable paradox is "Risks may be *known unknowns*, risks that are identified, assessed and quantified and for which plans can be made. Risks may be *unknown unknowns*, risks that are not yet identified or are impossible to predict."

We salute all the hardworking volunteers who helped to write and review the PMBOK 2000. The avid readers of over half a million copies of the PMBOK® Guide are forever indebted to them and the Project Management Institute for this landmark document.

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