

# THE ROLE OF PROJECT PLANNING IN PROJECT MANAGEMENT

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**Abstract:** This article describes the importance of the process of project planning. The author gives irrefutable arguments concerning crucial role of project planning. This article presents the definition, objects and the main goal of project planning. The purpose of this article is to review such objects of project planning as project scope, risk and human resources.

**Key words:** project management, project planning, project scope, project scope breakdown structure, risk probability, life cycle of the project.

It seems that today everything is about project management because practically all organizations are engaged in some kind of project activity. There are so many projects all over the world of different scales and with different budgets. We cannot say that project management is a new science. On the contrary this discipline has its origins in scheduling diagrams such as so-called *Gantt charts* and critical paths, planning tools first widely used in the early 20th century (Micklethwait, 2005). Moreover, there is even an international association, the Project Management Institute (PMI), based in Newtown Square, Pennsylvania. The PMI is the world's largest not-for-profit membership association for the project management profession. The PMI sets standards and professional exams that are taken by thousands every year. This association includes 150,000 members in 150 countries, all of them specialists in managing projects. The question is if there are so many specialists and associations why so many projects are unsuccessful?

PwC (PricewaterhouseCoopers) made a global survey on the current state of project management maturity in organizations across the world. During the survey PwC focused on 200 different organizations, both large and small, from various industries, in 30 different countries. All the participants represented some 10,640 pending projects, at a total estimated value of \$5.6 billion. (Nieto-Rodriguez, 2005) From all the organizations only 2.5% completed 100% of their projects on time. It was also discovered that 60% of respondents were not satisfied with their maturity level. And approximately 50% of respondents' projects completely failed. According to such results even a person who does not know much about project management will answer that there should be fundamental changes in project organization. After the recent announcement about the delay of the ObamaCare project from the Obama administration, project management expert Ron Black says that projects fail more often due to inappropriate planning. (Conerly, 2013)

So let us talk about such a process as project planning. The projects have to be planned in detail in order to effect the desired result despite the great number of influencing factors (Dylzon, 2010).

Project planning is a continuous process of an action determination for accomplishment of project's identified goals. Project planning is one of the most important processes in project management. Planning processes are conducted during the whole life cycle of the project, beginning with the preliminary outline plan and concluding with detailed project plan. Besides, during the project there can be some updating and plan detalization. At the planning stage the methods and control tools of project management are determined as both an entire system and broken down into its separate stages and elements.

The process of project planning is logically connected with other important stages such as initiation, organization and performance control, analyses and project closure. The main goal of project planning is to build implementation models of the project. The primary result of the process of project planning is a summary plan of project implementation which combines results of the whole function planning of project management. This document is the most important and determinative

during project implementation because it plays the roles of an action model (plan) and prediction model of conditions of project implementation and its context.

During the project implementation there can be some changes, both inside and outside, of the project. That is why the primary function of the project planning is continuous course maintenance of project implementation on its way to successful completion.

Objects of project planning are the following:

- Project scope;
- Time;
- Cost;
- Quality;
- Organization;
- Communication;
- Risks;
- Human resources;
- Integration plan etc.

In this article we will talk about only several objects of project planning. *Project scope* is the sum total of products and services which should be produced as a result of project completion. The project scope is determined by the goals, results and work of the project. During the life cycle of the project all the components of project scope can be changed. Also, the goals, results and characteristics can be changed or defined more precisely during the process of project development or during the implementation of intermediate results. Project scope includes the following purposes and procedures: analyses of a current state and specification of goals and results of project; specification of principal characteristics of project; choice of assessment criteria of intermediate and final results of creating projects; building of scope project breakdown structure.

*Human resources planning* of the project can be divided into three main stages:

1. Determination of volume of available human resources. In other words compilation of a list of performers for every task, with an indication of access, i.e. tentative opportunities for their participation in the project.
2. Appointment of performers to a post.
3. Analyses and conflict resolution concerning schedule plan.

*Risk planning* is a part of project management, which includes processes related to determination, analyses and development of adequate measures of risk response in the project. Project risk is characterized by three parameters, so-called risk factors: risk event; risk probability; amount at stake. Development of the concept of risk management includes: goal definition of risk management in a project; identification of risk factors and uncertainty factors; determination of possible risk resource; choice of strategy of risk management in a project; alternative analyses; requirements determination to system of risk management; concept approval. Here is an example of a method of risk planning. This method is employed in the following order:

1. Risk identification (determination of possible risk events in a project, from a personal perspective );
2. Determination of risk probability (in percentage points etc.);
3. Determination of level of significance of risk;
4. Determination of priority rating for every risk. The highest priority will be for such risks, which have a high probability of occurrence and its level of significance for the whole project.
5. Event planning for every risk event in order to cut the probability of occurrence and its level of significance for the whole project. Appointment of people responsible for every event;
6. Event planning in order to eliminate negative consequences in case of the occurrence of a risk event. Appointment of people responsible for every event.

In conclusion, I would like to say that project planning is an incredibly important part of project management. If project managers give due consideration to this part of project management, they will carry out new projects on time and not over the budget.

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