

PROJECT MANAGEMENT

CONTENTS

PART I: PROJECT MANAGEMENT – General notions	
CHAPTER I	
Project – definition and characteristics	
1.1 Project, program, politics	p. 4
1.2 Life cycle of a project	p. 6
CHAPTER II	
Project management	
2.1 Functions of project management	p.11
2.2 Principles of project management	p.13
2.3 Risk management	p.14
2.4 Quality management	p.18
2.5 Human resources management	p.19
2.6 Time management	p.20
2.7 Communication management	p.21
2.8 Financial management	p.21
2.9 Procurement management	p.21
2.10 Integrated management of the project	p.22
CHAPTER III	
Categories of people involved in the project	
3.1 Target group and project beneficiaries	p.24
3.2 Other categories involved	p.25
PART II: PHASES OF A PROJECT	
CHAPTER IV	
Pre-contractual phase of a project	
4.1 Context, stakeholders and needs analysis	p.32
4.2 SWOT analysis	p.35
4.3 Selecting and formulating the problem	p.37
4.4 Planning the project	p.41
4.4.1 Defining the goal and the objectives	p.41
4.4.2 Defining and planning the activities and subactivities	p.43
4.4.3 Estimating and planning resources	p.45
4.4.4 Expected results	p.46
CHAPTER V	

Contractual phase	
5.1 The financing contract	p.50
5.2 Project monitoring – technical and financial component	p.52
5.3 Conclusion and evaluation of the project	p.55
CHAPTER VI	
Postcontractual phase	
6.1 Dissemination and exploitation of the project	p.62
<i>Annex – Project sheet</i>	

CHAPTER I Project – definition and characteristics
1.1 Project, program, politics
1.2 Life cycle of a project

CHAPTER I

Project – definition and characteristics

1.1. PROJECT, PROGRAM, POLITICS

Key words:	project, program, politics
-------------------	----------------------------

Starting from the etymology of the word project in Latin "*projectum, projicere*" which means "*to throw ahead*", we can approach the project as that process which involves:

- ☞ A starting point...
- ☞ From which...
- ☞ Someone throws something ahead ...
- ☞ Towards a certain target ...

Literature provides various definitions around these references. A simple definition of the project is as follows: "*project is a temporary effort to create, with limited resources, a unique product or service*"¹. Another close approach underlines that under the name of „project” there are "*a series of interdependent activities that take place according to a plan to achieve a certain objective / to achieve certain results in a well defined period of time; project activities cease when that objective has been achieved*"². "*Project is defined as a repetitive process which creates a new, unique, well defined quantity within a specialized organization*"³.

Based on these markers the following characteristics of a project can be identified:



- It **aims** to solve a problem or improve a problematic situation;
- It is **realistic** so the goal is possible to be fulfilled;
- It is **unique** because it represents a specific solution to a problem well defined by a particular context;
- It is **limited in time and space** because it has a beginning and a definite end in a concrete space;
- It is **complex** because it involves economic and technical specialist knowledge in the project field of intervention, a wide range of knowledge and organizational skills;
- It is **collective** because it is run by a team for the benefit of a community, producing necessarily change from baseline;
- It is **uncertain**, the risks must be identified and properly managed from the beginning so that the end result is not affected;
- It is **assessable** so it can determine whether you realized what was proposed at the desired quality level;
- It is **autonomous** from the organization / organizations current activities involved in its implementation;
- It has a **determined life cycle** consisting of several mandatory steps.

¹A guide to the Project Management Body of Knowledge, 2000 Edition, Project Management Institute, p.4;

² [http: //www.projectmanagement .ro](http://www.projectmanagement.ro)

³ Constatin Opran (coord), Project management course, SNSPA, Bucharest, 2002, p.40;

The project represents a unique set of integrated activities organized methodically and progressively, developed over a period of time, with limited resources, which requires special organizational structures and methods for successfully obtaining new complex results needed to achieve and satisfy the clearly defined objectives that essentially lead to positive change in the situation of a group of people.

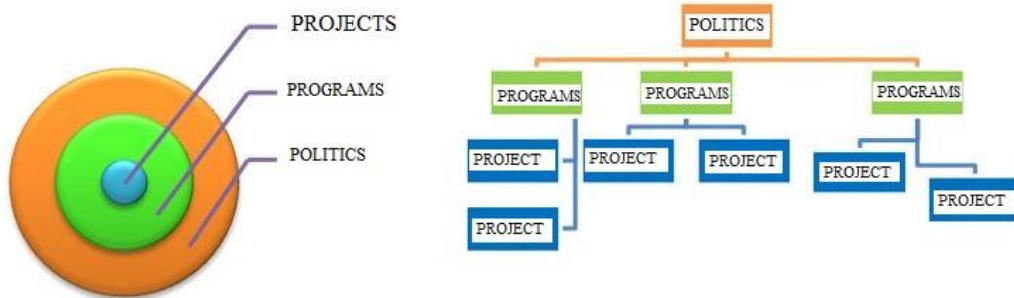
Simplifying, a project is a group of activities planned over a period of time, related in an organized manner and restricted / controlled to meet a goal.

To avoid confusion that can be made between a series of terms, it is required a conceptual delimitation: **Project - Program - Policy.**

The program is a group of independent projects managed in a coordinated manner, generally without a well defined conclusion time, with a dynamic aspect, broad range of action to achieve results that would not be possible by independent conduct of each project in particular.



Between the three concepts there can be drawn the meaning of inclusion according to which the policies are promoted through programs, structured in projects. It is noted that the program may subject one or more projects which deployment is not necessarily simultaneous.



Comparative analysis between program and project

Characteristics	Program	Project
Coverage degree	Large (national/international level)	Punctual/local
Positioning	Tools for the strategies to be operational	Components of the programs/initiatives
Budget	Global and adjustable	Fix
Duration	Undefined, years	Precise, months, years
Role of the team	Planning, coordination, supervisory	Direct implementation

1.2 LIFE CYCLE OF A PROJECT

Key words:	phase, process, formulation, planning, implementation, evaluation
-------------------	---

A project has a certain life, or a life cycle, from identification and formulation phase, through the implementation phase and reaching the final assessment and conclusion of the project. The life cycle of a project is defined as the time in which the project is developed. The project requires passing it through all stages of the life cycle.

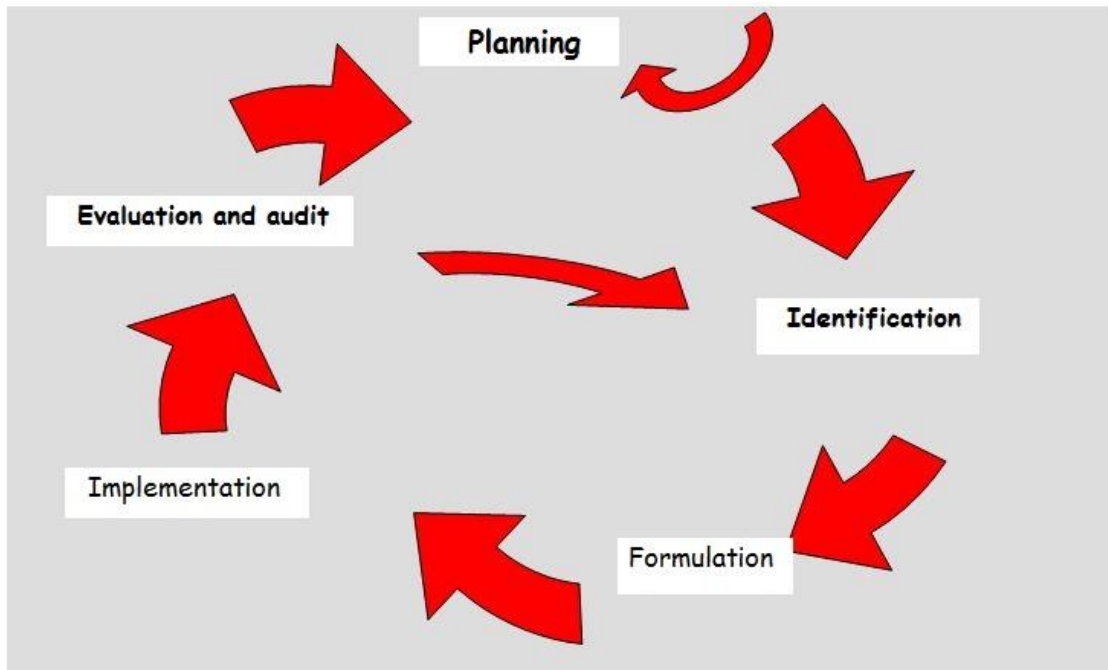
Although different, the approaches in the literature on the stages in the life of a project start however from the idea that a project is the implementation of an idea that was first formulated (*design or formulation stage*), and then it is planned / designed so that we can implement this idea (*planning phase*), after which we move on to the application / execution of those planned (*implementation phase*), after which it can be done the final evaluation of those implemented to ascertain whether the objectives have been reached (*assessment phase*).

Thus, any project has the following phases:

- **Identification, Analysis, Definition, Design / Formulation** (establishment of the project idea depending on the requirements of the funding program or the requirements of the organization's customer, possibly consultation with potential beneficiaries);
- **Planning** (development of the project idea into a coherent structure containing identification of the purpose, project objectives, planning activities, identification of the results and project beneficiaries, project planning for necessary resources, including budgeting);
- **Implementation or execution** (mobilization of resources for implementation of those formulated and planned with the concomitant realization of the project marketing - ongoing communication with decision-making forum and potential beneficiaries);
- **Evaluation (monitoring and control) and ending** (analysis of project progress by comparing those obtained in the end with those proposed to see to what extent the project objectives have been achieved, to identify better solutions for future projects based on the gained experience, identifying needs for future projects).



(PCM – PROJECT CYCLE MANAGEMENT)



It is very important to know all stages of the cycle or phases through which a project must pass precisely to avoid that because of negligence or ignorance we do not pay attention to one of them. The risk here is very high. We can get ourselves in the situation where we are already implementing a project in which we skipped, for example, the identification of the needs stage or correct formulation of the problem. What does this mean, simply put? It means we implement a project that is not needed or implement a project in an unrealistic manner. Another situation in which we may find ourselves: to implement a project where we have not planned anything, implicitly we implement things that we do not know, we are heading toward a vaguely outlined target, we do not have clear objectives, having no objective, we do not know which activities should be conducted and so on.

Behold mere knowledge and understanding of the stages or phases of the project life cycle can help us enormously in the work that we make as project managers. Project progress through clearly defined structures reduces uncertainty, increases control over the conduct and allows decisions after each phase.



Phase - includes activities which are derived from expected results

Process - a series of actions to achieve certain results.⁴

In practice duration and importance of each phase of the

⁴Institutul de Managementul Proiectelor

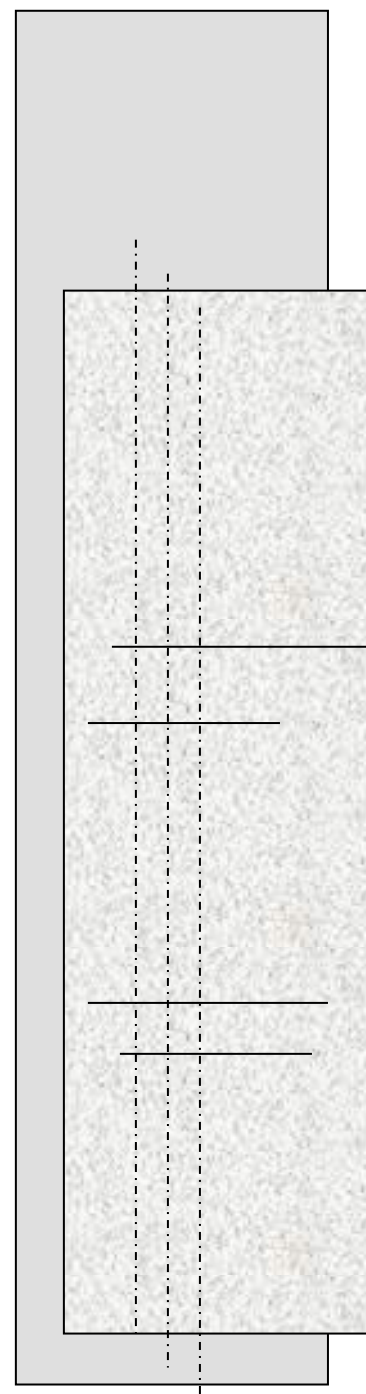
project differs for different projects, depending on their extension, specific goals and ways of operating. Thus, steps such as programming, identification and formulation can be condensed into a short period of time in project design and evaluation may be part of the implementation. It is noticed that phases are not simply a sequential chain of steps, but there are iterative processes. For example, problems or changes occurring in the control may require re-planning or even changes to the objectives and goals established in the initiation phase of the project. It may be that some projects do not pass through all stages, as are projects can be terminated before reaching the closure, or some do go through phases structured planning and / or monitoring.

In search of a design structured model that minimizes potential losses and maximize the theoretical winnings in plus value, we summarize in the table below the main approaches in the stages of projects development highlighting the related connections.

PROJECT PHASES

I.	ANALYSIS	PROJECTION	IMPLEMENTATION	MONITORING, EVALUATION		
II.	INITIATION	PLANNING	EXECUTION	EVALUATION/ CONTROL REVIEW	COMPLETION	
III.	DESIGN	DEVELOPMENT	ACHIEVEMENT		CLOSING	
IV.	DEFINITION		CONTINUOUS COORDINATION Startup, control, solving discontinuities, conclusion			ACCEPTANCE/ ASSUMPTION AND VALUING OF PROJECT RESULTS
V.	PRE-PROJECT PHASE		PROJECT PHASE			POST-PROJECT PHASE
VI.	PRECONTRACTUAL PHASE Identification and formulation		CONTRACTUAL PHASE Startup, implementation, closing			POST CONTRACTUAL PHASE Valuing
	1. Justification: groups analysis, problems analysis, objectives analysis, strategic analysis 2. Design: logic array, activities, resources, cost-benefit analysis		1. team management 2. communication 3. quality assurance 4. monitoring, evaluation, reporting 5. financial management 6. risks management			1. dissemination 2. branding 3. transfer 4. multiplication 5. mainstream 6. sustainability

CHAPTER II Project Management
2.1 Project management functions
2.2 Project management principles
2.3 Risk management
2.4 Quality management
2.5 Human resources management
2.6 Time management
2.7 Communication management
2.8 Financial management
2.9 Procurement management
2.10 Integrated project management



CHAPTER II PROJECT MANAGEMENT

2.1 PROJECT MANAGEMENT FUNCTIONS

Key words	management, project management, functions: planning, organizing, implementation, control and leadership
------------------	---

Generally, **management** is defined as the science and art of organizing and leading an activity or organization.

By the phrase project management different definitions were formulated:

☞ **"Project management** is the planning, organization and management (control) of tasks and resources aimed at achieving a certain goal, when there are constraints on time, resources and costs."⁵



☞ **"Project management** is planning, organizing, monitoring and controlling all aspects of the project and the management and leadership of all involved to achieve the project objectives safely within agreed criteria for time, cost, field and performance / quality"⁶

☞ **"Project management** is the set of activities related to the successful achievement of a group of objects. This includes planning, programming and support the activities in the project"⁷

Essentially **project management** is a dynamic process by which resources are used and organized in such a way as to lead to the achievement of project objectives. Plastic speaking, we can assimilate project management with the care of a **POM UNIC (an UNIQUE TREE)**:

P – planning	U – utilities / tools
O – organizing	N – needs
M – measurement / dosing	I - indicators
	C – constraints

From this comparison we can extend the definition of project management as a methodical approach to planning, organizing and measuring resources, using a set of knowledge, skills, tools and techniques appropriate to meet real needs to achieve the proposed indicators in compliance with financial, time, performance / quality and technical constraints.

For the effective management of a project it is essential to understand the **functions of management**:

- 1. Planning / forecasting** - work done by manager to determine how a project will take place. Planning involves: identifying project goal and objectives, establishing the methods needed to achieve them (the strategy), establishing project activities and resources, the realization of a project plan to protect resources, making backup plans. Simply put, the plan is to establish where you're going, why do you want to get there,

⁵ Project Management Manual, the Romanian Government, Department of European Integration (1998)

⁶ Romanian standard SR 13465:2007

⁷ according to the *Webster's Online* dictionary

how you get there, what do you need to get there and how you realize if you got there or not.

2. **Organization** - define and allocate project resources, as well as project activities and tasks according with the planning. The organization includes: determining the organizational structure of the project team, identification and allocation the roles of team members within the project, definition of policies, procedures and techniques of project management, preparation of project manager status and instruments of delegation, setting standards authority and responsibility of team project, material and financial resource allocation activities.
3. **Implementation** - implementation of planned and harmonize decisions and actions with the following sub-Actions: preparing and carrying out the project activities, staff training, supervision, harmonization of individual decisions and actions, monitoring of resources and activities.
4. **Control** - the process by which the manager shall ensure that activities are performed as planned and that progress is made towards the objectives. Control involves establishing criteria and performance indicators (quality, procedures, costs, time employment), establishing a route information, planning regular review of the strategy in accordance with the evaluation. Control is a function that must be met throughout the project.
5. **Leadership** - targeting people involved in the options analysis, decision making and disclosure.

Items of particular importance are the developing pre-feasibility study, feasibility study and business plan for the proposed project to be funded or under development. They can be defined as the **means** by which we can reach a decision to invest, that's why they are designed to reflect the most favorable way the strengths of the project and indicate the most appropriate measures to dampen weaknesses. This category of studies can only be done in a multidisciplinary team, in which the information required by the content are oriented to the specialists. Structuring information, proper data processing and presentation along with adequate financial and economic analysis are also very important along with organizing.

ATTENTION!



- ✓ Planning is useless without clear objectives.
- ✓ An unplanned work can not be done.
- ✓ Implementation is simple random execution without planning and organization.
- ✓ Random execution control, without planning and organization, can only be applied in the negative way and does not encourage progress, while leadership becomes only manifestation of power without purpose.

2.2 PROJECT MANAGEMENT PRINCIPLES

Key words:	commitment, predefined success, efficiency, internal consistency / interdependence, strategy, control, unique channel of communication, stimulating working environment.
-------------------	--

Attempts to standardize theoretical work on project management in order to ensure performance show the concern to establish a number of fundamental principles of this area.

Thus in the conception of R. Max Wideman⁸ seven basic principles of project management can be identified:

1. **The principle of engagement:** both sides know very well what effort should be submitted for the project, know the processes and risks of the project, are willing to share and assume responsibilities, risks and eventual failure.
2. **Principle of predefined success:** success criteria are agreed from the beginning and are the basis of the decision-making process and final evaluation. The success criteria relate to the project (respecting time limits, budget and efficient operation of all resources) and final product (quality, technical standards, relevance, efficiency, coverage, the perception created around the product / service).
3. **The principle of efficiency:** the interdependence that exists between the project intervention area, allocated time, projected budget and final set quality of the product.
4. **The strategy principle:** this principle establishes *what* to do and *when*.
5. **Control principle:** this principle establishes *how* to do a certain thing and *by whom*.
6. **The principle of unique channel of communication:** between donor and recipient.
7. **The principle of stimulating working environment:** the project manager has a duty to create an environment for team members to enable full potential of human resources. Creating this encouraging environment is done both by adopting a management style suitable for the type of project and through intelligent management of the relationship with the organization as a whole. The project team should not be isolated from the rest of the organization because the project itself must be known, accepted, assumed and even appreciated at the organization level.

2.3 RISK MANAGEMENT

Key words	risk, tackling the risk (identification, analysis and evaluation), internal and external risks, methods of identifying, analyzing and monitoring / risk mitigation
------------------	--

Risk is inherent in any human activity. It occurs continuously in different forms and in different aspects. **Risk** is defined as uncertainty associated with any result. Risk is a possible barrier to the success of the project, so we can say that any project is sensitive to the risk if when risk occurs it jeopardized the essential aspects of the project. Possibility of endangerment can take many forms in a project: final products / services have a lower quality compared to the projected ones, costs are much higher than those originally established, resources have not been effectively exploited, they are damaged or depleted, the deadline for achieving the deliverable is outdated etc.

Tackling the risk means:

1. Identification of the risks

⁸ Alina Bârgăoanu apud R. Max Wideman, "Fundamental Principles of Project Management", Project Management Forum, Digest Volume 4, nr. 7, iulie 1999

2. **Analysis of risks** in terms of the impact on performance, cost, schedule and quality of activities
3. **Estimation** of risk likelihood during the project (degree of exposure to risk). If the risk has a probability of occurrence and a high impact on the project, then additional measures must be taken. If the risk has a low probability of occurrence and the impact is small then too much attention should not be wasted on him.
4. **Prioritization** of risks depending on the degree of exposure, the potential effect and the problems associated with the project risk
5. **Monitoring** risk factors and **adopting** appropriate measures during the execution of the project.



Risk management means identifying countermeasures to be taken to prevent, mitigate the effects of identified risks. Risk management is like a medical examination: the patient exhibits symptoms, the doctor make the diagnosis, recommends treatment, and after it the patient returns for a new control⁹.

From this analogy we can identify 3 stages:

1. **Diagnosis** = mapping / identification risks. As identification techniques we can use: a list of possible risks, brainstorming, interviews with people involved / affected by the project, using the risk profile (questionnaire covering the main areas of uncertainty, analogies by establishing risk based on previous experience).
2. **Treatment** = develop a response strategy to risk factors (defining the risks by identifying conditions for their production and consequences)
3. **Control and monitoring treatment outcomes** = risk control is performed in parallel with monitoring the project. To control risk means understanding it, quantize it and realizing its consequences.

The identified risks must be addressed in the following order:

1. *Risks with high impact and high probability*
2. *Risks with high impact and low probability*
3. *Risks with low impact and high probability*
4. *Risks with low impact and low probability*

The manager must investigate risks with high impact or high probability, to determine, in each case, the means for reducing the impact if the risk materialize, or reduce the likelihood of occurrence or both.

Example 1:

For a project spread over several months, you have a contractual relationship with a supplier. What are the risk factors linked to the supplier in question?

- *Supplier may fail during the execution of the project;*
- *Supplier cannot provide certain essential components;*
- *The manufacturer of those components goes bankrupt;*
- *The producer makes significant changes in the specifications;*
- *The project does not specify the correct components.*

⁹Jean – Paul Louisot, "What Makes an Effective risk Manager?", Risk Management Magazin, iunie 2003

Example 2:

The project provides timely inauguration of a new headquarters for the firm. What measures can you take for what kind of possible risks?

Risks	Measures
- delay modernization works	- fixing deadlines for manufacturers long before the actual date.
- late delivery of furniture	- set up spare suppliers.

The most used strategies for reducing risk are: risk acceptance, risk avoidance, risk monitoring and preparedness of the plan for unpredictable situations, risk transfer, systematic reduction of risks.¹⁰

The most relevant and common risk classification is proposing:

- ☞ **Internal risks:** fraud or managerial mistakes. The risk is higher in organizations where there is a functional internal control system. Some methods of reducing the occurrence of internal risks can include: training and team accountability, monitoring activities and define their proper management of resources, the existence and scope of procedures, conducting evaluations and audits.
- ☞ **External risks:** external events that may adversely affect the project. They cannot be controlled by the organization and may refer to: the withdrawal of a financier from the country, fire, flood, natural disaster, etc.; economic crisis, legislative changes. Among the strategies that can mitigate the effects of these types of risks we mention: diversification of funding sources, creating backup plans, insurances etc.

Within the team there may even be a person whose task would be exclusively related to risk management. When designing the budget you must allocate money to cover such situations. In most budgets funders allocated a separate line for **miscellaneous and unforeseen expenses**.

Regarding the risk reduction strategies the following three frequent actions do not have results and are to be avoided:

- ☞ **ostrich strategy:** the person responsible for risk management ignores risks or pretends they do not exist
- ☞ **prayer strategy:** the person responsible for risk management leaves to the deity to solve problems or make them disappear
- ☞ **denial strategy:** the person responsible for risk management recognizes that some situations may cause problems, but does not accept that they cannot happen to the project he works in.

From what has been presented above, complete elimination of risk is utopian and inefficient option in terms of costs. Efforts should not be directed towards the complete **elimination** of risk but to **monitor** them and, when the risk threshold (both in terms of likelihood and impact) becomes unacceptable, to risk reduction. Efficient management of risk increases the chances that the project is a success, despite the uncertainties that exist in the outside environment.

2.4 QUALITY MANAGEMENT

Key words	quality system, quality / standards of quality, quality control
------------------	---

¹⁰Constantin Opran, coord. *Op.cit.* p.175



Quality Project Management meets the processes necessary to ensure that the project will fulfill the requirements / needs for which it was launched.

Quality project management is a discipline applied to ensure that both the results of the project and the processes by which the results are delivered satisfy the needs of stakeholders. Quality is broadly defined as suitable for use and narrower as the appropriateness of the process and results. In the context of project management, quality is defined by the client and the degree to which the project and its deliverables reach to satisfy customer expectations.¹¹

This is ensured through the following major processes: "quality planning", "quality assurance" and "quality growth".

Quality planning project: identifying the relevant quality standards for the project and determine ways to meet them.

Quality assurance: assess the overall performance of the project to ensure that it will meet the conditions of reference standards

Quality control: involves monitoring specific project results to measure their compliance with quality standards and quality regulations of reference and identifying ways to eliminate causes of non-compliance.

These three processes interact with each other and with other processes of project management. **Quality Project Management** addresses both to the project management itself and product / service resulting from the project. It can be coordinated by a specialized department of the organization or by the project team itself. In these circumstances staff must have knowledge of statistical quality control, to be able to use notions like:

- ☞ *prevention* (prevention of errors in the execution of the project) and *inspection* (preventing errors detection by the customer)
- ☞ *Reference characteristics* (static results against which to compare compliance) or *reference variables* (results continuously evolving and against which the degree of conformity is measured)
- ☞ *Random events* (unusual events) and *predicted events* (normal variation of project processes)
- ☞ *Tolerances* (limit intervals of conformity).

Modern quality management complements project management, both disciplines recognizing the importance of :

- ☞ customer / user satisfaction;
- ☞ preventive action more than the correction ones, the cost of preventive actions is always less than the cost of correcting them
- ☞ responsibility management with the whole team participation and with the planning and responsible estimation of the resources required for the project

However there is a limitation in quality management approach which the project team must take into account. Limited duration of the project involves limiting investments in increasing the quality of product / service, especially in preventing defects and their

¹¹Romania Association of Project Management, Project Management: glossary, Economic Publishing House, Bucharest, 2002

assessment.¹²

2.5 HUMAN RESOURCES MANAGEMENT

Key words:	human resources, job description, tasks, group, team
-------------------	--

Human Resources Management brings together the processes ensuring efficient use of human resources involved in the project. Specific processes concern: organizational planning (identifying and assigning roles, responsibilities, relationships between those involved in the project), recruitment of staff working on the project, the operationalization of the project team (individual and team skills development and their harmonization).

Project team and the way in which the interactions of its members are done is crucial to project success. It is essential that expectations and responsibilities be discussed and defined in advance because confusion can create serious misunderstandings, interpersonal conflicts and problems that may hold down the project, or even block it. Job descriptions, contractual obligations and quality control methods become milestones in the development work of the project team members.

To select an effective team these steps are required:

- ☞ Description of elementary activities for each objective of the project;
- ☞ Transformation of the activities in tasks to be accomplished and necessary skills;
- ☞ Transformation of tasks in responsibilities;
- ☞ Making job descriptions;
- ☞ Finding team members. Recruiting can be done within the organization or from outside and includes mandatory running an interview with each candidate. The project manager is not only responsible of the project, but also has the authority to decide whom will he work for implementation.

2.6 TIME MANAGEMENT

Key words:	
-------------------	--

Time management reunites the processes that ensure the project development within the set time limits. Specific processes relate to: definition of the activities, planning and chaining activities in time (relationships of dependence and interdependence between activities), estimating the duration of each activity, strengthening of the planning (analysis deployment time, durations, resources needed to comply with time limits), the monitoring of the way the initial planning is respected, coordinated control of possible changes in terms of time limits.

2.7 COMMUNICATION MANAGEMENT

Key words:	communication
-------------------	---------------

Communication management brings together the processes that ensure generating,

¹² Constatin Opran, coord. *Op.cit.* p.232

recording, dissemination, storage, use, processing and interpretation of relevant information for the project. Specific processes relate to: planning communication activities (determining the information needs of decision makers and interest groups, who and what kind of information it needs, when it needs and how will it be made available), timely transmission to stakeholders, reporting status of the project implementation and recorded progresses, forecasts regarding possible developments, project closure information and reporting final results (to the financier, the decision makers, to the stakeholders, the target audience or to the general public).

2.8 FINANCIAL MANAGEMENT

Key words:	Budget, budget for activities, types of budgets
-------------------	---

Financial management meets the processes that ensure the project within the financial limits set. Specific processes relate to: planning of resources (financial, human, informational and equipment), what resources, what proportion / amount / value, estimation of the costs involved for allocating these resources, proper budgeting, monitoring how initial planning and allocation is followed, coordinated control of any changes that occur during the project in terms of cost.

The budget provides a clear picture of the financial resources needed to implement a project. In its realization they are required: the identification of all the necessary resources, the amount of each budget item, predicting prices (in consultation with market prices and taking into account the effects of inflation or other factors so as to ensure the reality of the price after the estimated time of evaluation and signing of the financing contract) and the time when it will be necessary for the financial resources to be available - ***budget for expenditure categories***. Also in order to identify all resources it is necessary to establish a ***budget for activities*** to be sure that each activity / sub-activity / transaction has the costs evaluated and included. Where there are multiple sources you can draw a ***budget for sources of financing*** that highlights donor and beneficiary contribution.

2.9 PROCUREMENT MANAGEMENT

Key words:	procurement
-------------------	-------------

Procurement management brings together processes ensuring purchasing goods and services from outside the promoter organization. Specific processes relate to: planning the acquisition (what is purchased and when), procurement planning (identifying technical specifications for products / services necessary for project implementation and sources that could provide products / services with such features), organizing the actual purchase, selection of tenders, price testing, contract administration, administrations of relationship with suppliers, contract closure.

2.10 INTEGRATED MANAGEMENT OF PROJECTS

Key words:	integrated management
-------------------	-----------------------

Integrated management of projects involves the selection, coordination and synchronization of projects within an organization so that all key factors for success are optimized. Management of integration the projects or programs involves the analysis of investment value the project aims at, mobilizing the performances and dynamic of the project team, monitoring, solving technical, resources and interpersonal problems at every level of the organization, identifying organizations constraints and their exploitation.

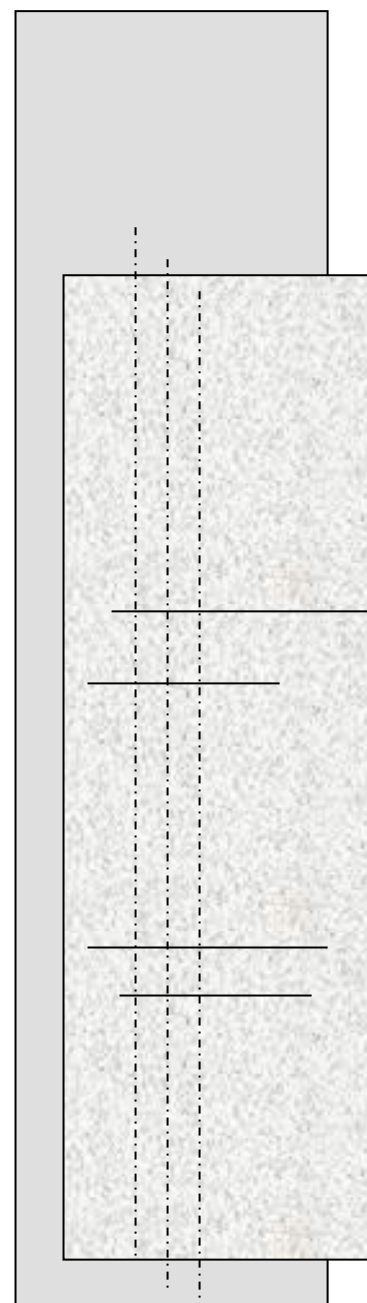
Major integrated management processes are: processes of conception the project plan, processes of execution and integrated change control processes. Each process includes a set of inputs and a set of outputs. Running any process is facilitated by using a set of tools or methods that constitute mechanisms applied to inputs to create outputs.

In conclusion, as detailed above, processes of integrated management project are organized into nine knowledge areas:

1. The management of projects integration
2. Management of projects content
3. Management of project deadlines
4. Management projects cost
5. Quality management of the projects
6. Human Resources Management
7. Communication Management
8. Risk Management
9. Procurement Management.¹³

¹³Project Management Institute, a guide to the Project Management Body of Knowledge (PMBOK Guide 2004)
Romanian Edition by Zeta Books 2010 www.zetabooks.com

CHAPTER III Categories of persons involved in the project
3.1 Target group and project beneficiaries
3.2 Other categories involved



CHAPTER III

Categories of persons involved in the project

3.1. Target group and project beneficiaries

Key words:	target group, direct beneficiaries, indirect beneficiaries
-------------------	--

Defining the **categories of people involved in project** is important because they can positively / negatively influence the project. The number and composition of staff involved in the project depends on characteristics such as size of the project, its deadline, the importance, the project needs. Among the categories of people taking part in a project there are the target group and the beneficiaries. Their delimitation is essential for understanding for the financier to understand whom will the activities proposed in the project address and its results.



The target group (target group) - is always represented by that group of people who meet a certain profile, share a problem that underlies the development of the project - they are the ones for which the improvement of a certain situation is desired.

The direct beneficiaries are those people within the target group who participate in project activities and who directly benefit from its results. The group of direct beneficiaries will be always represented by one or more groups of individuals or legal entities. The direct beneficiaries are thus measurable.

The indirect beneficiaries are the population segment, belonging or not to the target group, who benefit indirectly from the results / effects, due to the multiplicative effect. It will always be represented by one or more groups of people clearly differentiated, being an estimated number.

3.2 OTHER CATEGORIES INVOLVED

Key words:	financer, responsible for the promotion (promoter), stakeholders (interested parties), the project team, producer (project designer), project manager, leadership styles
-------------------	--

Sponsors / donors are the financial supporters of a project / program. They are: institutions (European Union, World Bank, Government), various NGOs, private enterprises, individuals. A sponsor may even be the project beneficiary.

Promotion responsible is a person / institution that will ensure project a positive image (PR responsible). Its participation is especially needed in complex projects with publicized social impact. This is sometimes called promoter.

Stakeholders and interested parties are persons or groups with decisive role in the successful implementation of a project. They can be: *internal* (employees of the institution conducting the project, employees of partner entities, etc.) or *external* (public interest bodies - trade unions, NGOs, public administration bodies).

The role of stakeholders:

- They have an essential contribution to the success or failure of the project;
- Compared to an agent outside the project, they can know better the extent to which certain actions are feasible and what resources are necessary to achieve certain objectives;
- Their expectations must be managed throughout the project;
- They can provide important information about project status.

The project team is the structure which also implements the project. Each member should know which are the duties and assume the responsibilities incumbent on the project. Typically, a project management needs a minimum of two teams with different roles:

- Project management team, consisting of 3-5 members, to oversee project progress and decide whether to apply corrective and / or preventive measures;
- Project team, consisting of all those people whose skills are necessary for the project development.

The structure of the project team is established by the promoting organization's leadership and consists of those with an direct interest / competence in solving the problem or those who will be involved in implementing the proposed activities. The team will cease the activity once the project is completed.

The project team must know the following:

- names and responsibilities of people included in the project team: what role should meet each of the team members and why;
- objectives, desired results and activities to be conducted;
- relevant information about the project: why and how important the project is for the organization;
- rewards or impact that may arise after the project;
- problems and possible restrictions and difficulties at the level of each of the parties involved
- terms of working in the team (subordination, reporting, prioritization, accepted level decision)
- rules to be obeyed in the project.

Basically, **the functionality of a team** is subject to the following:

- ☞ specialized skills of the members are adequate to the tasks
- ☞ high degree of identification with the project goals
- ☞ there is a good motivation of the members

- ☞ duties and responsibilities of each member are well defined
- ☞ the degree of freedom granted to the project manager is high
- ☞ there is no destructive competition between members.

The project designer is the one who conceives the project. It can be an individual, legal person, group of persons within or outside the organization. In large projects, the number of organizations involved in the project design is great, only one of them having coordinating role. The rest can participate in various contractual forms, establishing their clear roles and obligations.

The project manager is the person responsible for the conduct of the project, the achievement of objectives, the compliance with the required quality standard, the timeliness of the project, including persons involved and the allocated resources, so as the project work results to be optimal. Sometimes it is the same as the project designer.

Skills required of a good manager:

- ☞ *Specialized skills* (in the area of the project and possibly in related fields, in project management, general management knowledge)
- ☞ *Methodical skills* (strategic thinking, organizational skills, teaching skills, experience of working on a project basis)
- ☞ *Leadership skills* (leadership capabilities, motivation, delegation of powers)
- ☞ *Communication skills* (communication and negotiation skills)

and **personality traits**: self-control, creativity, willingness to change, resistance to stress, initiative and responsibility, adaptability, discipline, good risk management, integrity, positive attitude towards people.

Another approach brings into question the project manager dependence on 4 skills:

- ☞ **Knowledge**: understanding project management theory, its concepts and practices
- ☞ **Skill**: the ability to use techniques and methods of this profession to achieve expected results
- ☞ **Ability**: ability to integrate and use knowledge and skill in different manners
- ☞ **Motivation**: the ability to maintain at the desired levels the values, attitudes and aspirations that help all project participants to work together in order to complete the project.¹⁴

Project Manager responsibilities may vary depending on the phase of the project. These are outlined in the summary table below.

<i>at the beginning of the project</i>	<i>during the project</i>	<i>at the end of the project</i>
- Defines the purpose and objectives - Carries out the project plan - Selects staff	- Identifies and resolves arising issues - Monitors the activity and makes decisions accordingly - Studies the market - Communicates with other participants in the project - Analyzes the budget, time and resources	- Makes the final analysis of budget and actual situation - Records new learned experiences - Places the team members in new projects

¹⁴Constantin Opran (coord.), *Op.cit.*, p.19

In conclusion a project manager profile is defined by the following:

☞ **behaviors:**

- Notification and seize of the opportunities, taking the initiative to set things in motion;
- Creative problem solving;
- Autonomous management;
- Taking responsibility and ownership of what is happening;
- Understanding the motivation of complex situations;
- Building of effective links for managing interdependencies;
- Creative combining of the different aspects of a whole;
- Rational risk taking;

☞ **attitudes:**

- Orientation towards personal achievement and ambition
- Self-confidence and balance
- Perseverance
- High level of self-control (autonomy)
- Action oriented
- Inclination towards the experience gained in work
- High capacity for work;
- Determination
- Creativity.

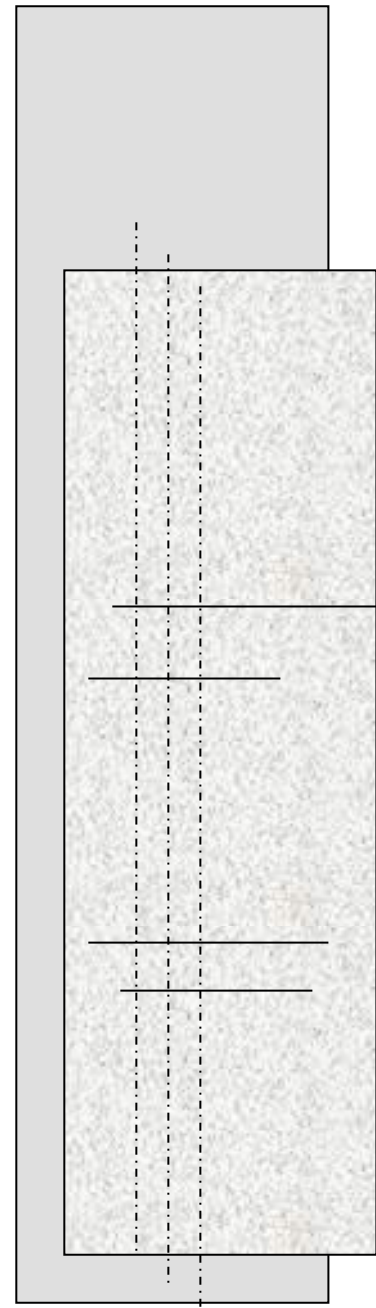
☞ **abilities**

- Creative problem solving;
- Persuasiveness;
- Negotiating capacity;
- Ability to sell;
- Capacity to propose viable solutions;
- Holistic management of the situations created during the project;
- Strategic thinking;
- Intuitive decision making under conditions of uncertainty;
- Ability to relate to all concerned (networking).

The leadership style in project work varies depending on the situation, the project phase, problems to be solved or persons forming part of the team. For the project's success cooperating style is preferred instead of authoritarian style.

Style	Characteristics
authoritarian	Project manager decides everything
patriarchal	The manager decides everything, but before making decisions he tries to convince members
advisory	The manager decides, but will consult with members before taking decisions.
cooperative	The team is informed and exposes its point of view before the decision.
participative	The team proposes and the project manager chooses the best option
democratic	The team decides after the decision limits were established, the manager is a coordinator.

CHAPTER IV Precontractual phase
4.1 Context, interested groups and needs analysis
4.2 Problem selection and formulation
4.3 SWOT analysis
4.4 Project planning Defining the scope, objectives and activities Planning activities and sub-activities Estimating and planning resources Expected results



CHAPTER IV

Precontractual phase

4.1 Context, interested groups and needs analysis

Key words:	context, interested groups, needs analysis
-------------------	--

Every project starts with an idea. This idea should be checked given at least two elements: the environment and needs. The environment refers to the analysis of the political, sectorial and institutional context in which the project is to be realized. The depth of analysis depends on the amount and quality of information.

After a general analysis is performed, the main beneficiaries and stakeholders of the project should be consulted to determine which are the most important issues and most effective solutions from their point of view. Any person, group or public / private entity may



have significant interest (positive or negative) in relation to a project (in implementation, facilitation, as beneficiary or opponent) represents an **interest group**. A complete inventory of these may be useful for a correct formulation of objectives and choosing the right strategy for the implementation of the project. It is also important to consider whether these interest groups know the local or sectoral policies in the field, the institutional context, statistics and regulations in the field. A full and participatory

analysis of the stakeholder groups allows, besides their proper identification, to identify opportunities for cooperation or conflict in interaction with them.

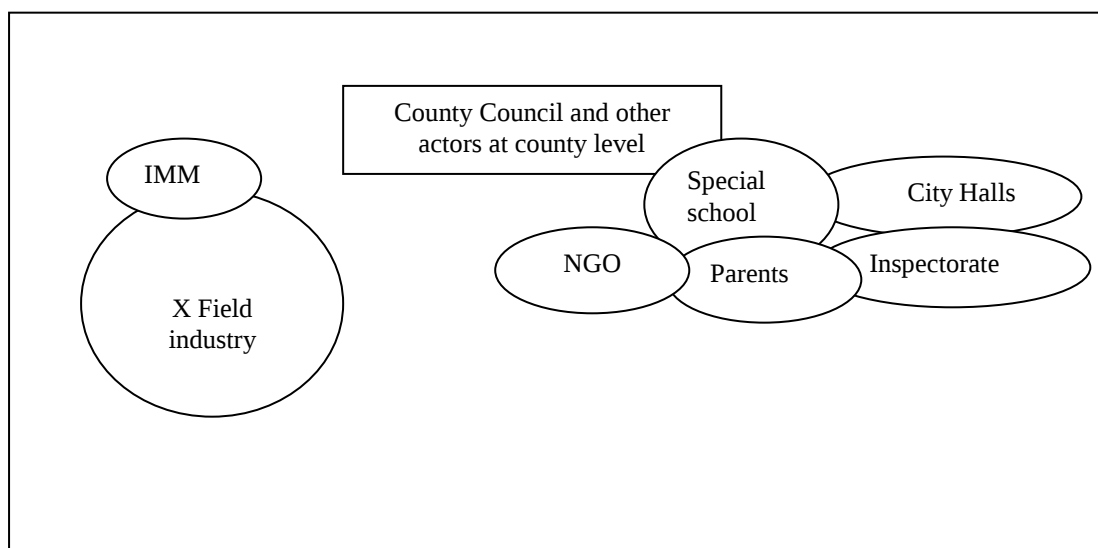
To achieve the analysis of stakeholder groups a number of tools can be used: matrix analysis of interest groups, Venn diagrams or spider web diagram.

Matrix analysis of interest groups

Interest groups Basic features	Interests, how the problem affects them	Capacity and motivation towards the change proposed to solve the problem	Possible actions to stimulate interest
-----------------------------------	--	---	---

Data collected with this tool can be adapted to meet the needs in different circumstances.

Venn diagrams are created to illustrate the nature of relationships between interest groups.



Preliminary analysis of information from the diagram: *X domain industry is influent and at county level there are enough Small and Medium Enterprises working in this field. But they do not have relations with special schools subordinated to the County Council. NGO is campaigning for socio-professional inclusion of pupils with Special Educational Needs and establishes ties between the school and interested parents.*

Cobweb diagram is particularly useful in analyzing institutional capacity taking into account the different items that can be divided into at least three categories: efficient / effective, satisfactory situation, improvements are necessary. Institutional capacity assessment is important in terms of implementation management. Organizational assessment results provide the decision makers with information on: identification and selection of useful institutional partners for activities of the project, defining the roles and responsibilities of interest groups, personnel policy and staff attitude towards management etc.

4.2 SWOT analysis

Key words:	SWOT, strenghts, weaknesses, oportunities, threats
-------------------	--

If instruments detailed above can only provide images and global connections of community, marks on the institutional capacity without defining the problems that determine identified and recognized states and much less without designing possible solutions, SWOT analysis as design tool inventories and deepens on the one hand the real problems and possible problems and on the other hand the real premises and possible prerequisites.

The term comes from the English words: Strengths, Weaknesses, Opportunities, Threats. It involves the identification of four groups of reference and provides answers on possible ways of action in an organization. Generally in a SWOT analysis strengths and weaknesses are internal elements of analized environment and refer to the present situation while the opportunities and threats generally refer to elements outside the system, with possible further action.

The premises of a SWOT analysis are:

- ☞ Using strengths

- ☞ Eliminating or reducing weaknesses
- ☞ Capitalization of opportunities
- ☞ Avoiding threats

Thus an updated threat becomes a weak point, while an opportunity turned into reality becomes a strong point.

	Strengths (S)	Weaknesses (W)
Opportunities (O)	The SO quadrant - decision will be taken within the meaning of capitalizing strengths in attracting opportunities. <i>Take the decision to invest in the use strengths to advantage of the opportunities</i>	The WO quadrant - the decision will be taken in order to eliminate weaknesses to exploit opportunities. <i>Determine if opportunities are important enough to deserve to invest in transforming weaknesses into strengths.</i>
Threats (T)	The ST quadrant - the decision will be taken within the meaning of valuing strengths to counteract threats. <i>Determine whether is realistic for the threat to be overcome by the team forces. A decision for diversification can be made if it is considered inefficient to maintain strengths as long as the environment does not offer opportunities</i>	The WT quadrant - the decision will be taken in order to eliminate weaknesses to counteract threats. <i>It should be realized that in this quadrant there is a serious problem which may jeopardize the functioning of the team. The strategy can be of preservations and identifying new solutions.</i>

SWOT ANALYSIS

	POSITIVE	NEGATIVE
	<u>STRENGTHS</u>	<u>WEAKNESSES</u>
INTERNAL FACTORS	They describe the positive attributes, tangible and intangible related to organization / project. There are factors under the direct control of the organization / team project: What strengths do you have? What do you do well? What resources do you have? What advantages you have over other similar organizations? Strengths include both intangible elements, e.g. relating to the team (organization project) - domain knowledge, education, experience, contacts, reputation, members abilities and tangible elements related to available financial resources, equipment, communication channels, copyrighted materials etc., belonging to the organization. Strengths capture internal positive aspects and add value or provide an advantage over competing organizations. Here are a few examples of criteria that may be considered when identifying strengths: • Advantages of proposals • Capacity • Advantages over competition • Resources, equipment, people • Experience, knowledge, data, information • Financial resources • Innovative aspects	Weaknesses are factors that are under the control of the organization / project team which prevent getting or maintaining a competitive quality level. To identify them more easily you can answer the question "What areas need improvement?" Weaknesses may include: lack of experience, limited resources, lack of access to technology or capacity, limited or non-existent portfolio of projects etc. They represent factors under the control of the organization / project team but for some reason they need improvement in order to effectively achieve goals. Here are below some criteria that can be considered in identifying weaknesses: • Disadvantages of proposals • Lack of capacity • Lack of advantages over the competition • Reputation • Lack of financial resources • Organization's own softspots • Deadlines, limited resources • Lack of an acceptable cash flow • Effects on the organization's main activities

	• Location • The quality of the projects implemented, experience • Aaccreditations, recognitions, certifications • The communication system inside the organization • Organizational Culture • Leadership, management • The philosophy and values of the organization	• Missing or irrelevant previous experience in the field • Low commitment of members • Missing credentials, certifications • Faulty Leadership • Lack of clear communication channels • Inappropriate organizational culture
FACTORI EXTERNI	<u>OPORTUNITIES</u> Opportunities evaluate attractive external factors that constitute the elements the organization / project team can take advantage on. These are the factors external to the organization / project. What opportunities exist in the organization or sector around you in which you hope to get advantaged? These opportunities reflect the potential that it can be achieved by implementing your strategies of organizational development / through project implementation. Opportunities may be the result of market growth, exchange lifestyle, solving problems associated with the current situation, a positive perception of your organization in the NGO sector, favorable legislation, the existence of external financing sources etc. If relevant place time periods around opportunities. It is a constant opportunity or is it temporary? How important is your timing?	<u>THREATS</u> What factors are potential threats to you? Threats include factors beyond your control that could put your strategy development, project implementation etc. and even the organization in a position of risk. These are external factors - you have no control over them, but you can predict them if you have an emergency plan / risk management plan. A threat is a challenge created by an unfavorable trend. Actual or potential competitor - is always a threat. Other threats may include unacceptable increase on prices by suppliers, government regulations, economic failure, adverse effect of media, withdrawal from the market of external financing etc. What circumstances might threaten your efforts? Put on paper your biggest fears. Part of this list may be speculative, but will add value to your SWOT analysis.

	Opportunities are external to the organization or project. If you have identified "opportunities" that are internal to the organization and are under your control, you have to classify them as strengths. Here are some criteria that can be considered in identifying opportunities: • Development of the sector / domain • Lack of competing organizations • Beneficial current trends • Technological development • Global influences • Favourable legislation	It might help you make threats classified according to their seriousness and probability of happening. The better you identify the potential threats, the more you can position yourself and plan proactively to answer. Here are some criteria that can be considered in identifying threats: • Political effects • Legislative effects • Environmental effects • Very strong competition in this field • Demand • Economic development
--	--	---

After identifying strengths and weaknesses, threats and opportunities, proceed to the analysis of the competence of the organization to resolve the problem identified by the intersection of strengths with opportunities and threats, as well as of weaknesses with opportunities and threats. The combination of these a comprehensive strategy of the organization to the solving of identified problem can be achieved.

SWOT analysis is just a snapshot of a structure, in terms of the four groups of items. In time, their dynamics determine the meaning of change. Influencing in one sense or another of these dynamics is the main purpose of interest groups.¹⁵

4.3 Selecting and formulating the problem

Key words:	problems tree, solutions tree
-------------------	-------------------------------

When identifying the problem, the project team frequently confuses the real issue either with its effects, or with an already agreed solution, without regard to in-depth analysis of the issue. The following questions may help to determine the severity and extent of a problem to

¹⁵Daniel Ovidiu Crocna, Monica Calotă, *Project Management (student manual)* p.28 și urm.
<http://www.compendiu.ro/Cursuri.aspx?op=1&el=1&fu=2&mo=EDF3D151E80B4B6F&ca=4C2DECEC045D8E82&pa=4DF569306E6C25FE>

be addressed:

- Why is this a problem?
- Who is affected by this issue?
- Whose problem is it?
- What is the impact on beneficiaries and relationship beneficiaries-organization that wants to start the project?
- When the negative effects of problem occurs? It is urgent to solve it?
- Is the problem possible to be solved with available resources?
- What would happen if this is not resolved?
- At what stage will be the issue after the project? The project provides solution to the problem or to what extent it improves its effects?

Because generally a problem does not appear as a case of singularity, but in a cause-effect context there must be examined the connections between issues and implications of a particular type of problem solving may have on solving a more general context.

Problem analysis identifies the negative aspects of an existing situation and establishes the cause - effect relationship between the identified problems. It involves three steps:

1. defining the analyzed subject
2. identifying major problems the target groups and beneficiaries are facing
3. viewing problems in the form of **tree diagram**, hierarchical form that allows simplifying analysis and clarification of the causal relationships.

To establish such a chart you must do:

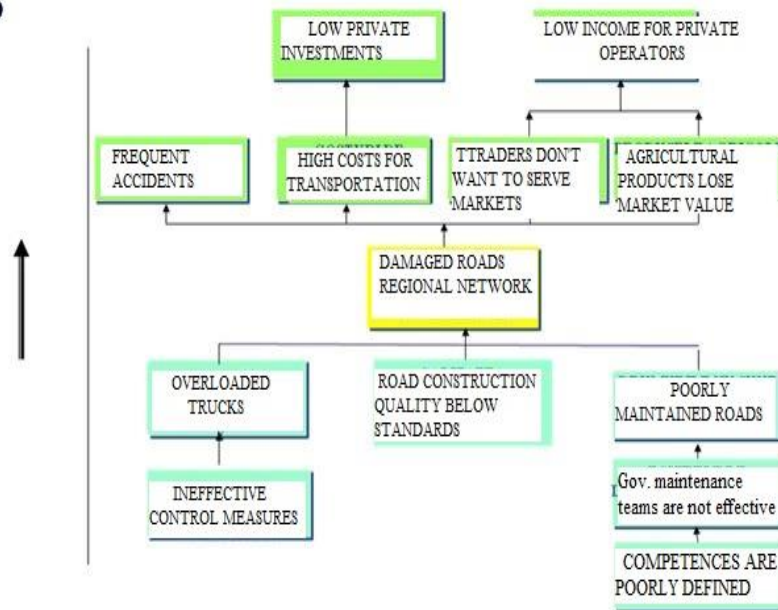
- The selection of individual issues raised (weaknesses of SWOT analysis)
- The causal relationships that are established: priority problem (start) and status of other problems (cause-problems are put underneath and the issues that are direct effects are put above)

In central problem formulation you must consider that ***the problem should express a need of the target group and not a lack.***

Any funder requires a ***justification of the problem*** and the needs of the project. For justification it is necessary to explain the need for the project and its relevance to the specific needs of the target group. ***The added value*** of the project is described by clearly demonstrating that the needs of the target group are not currently addressed in the community or that there are not sufficient and appropriate activities to address defined needs.

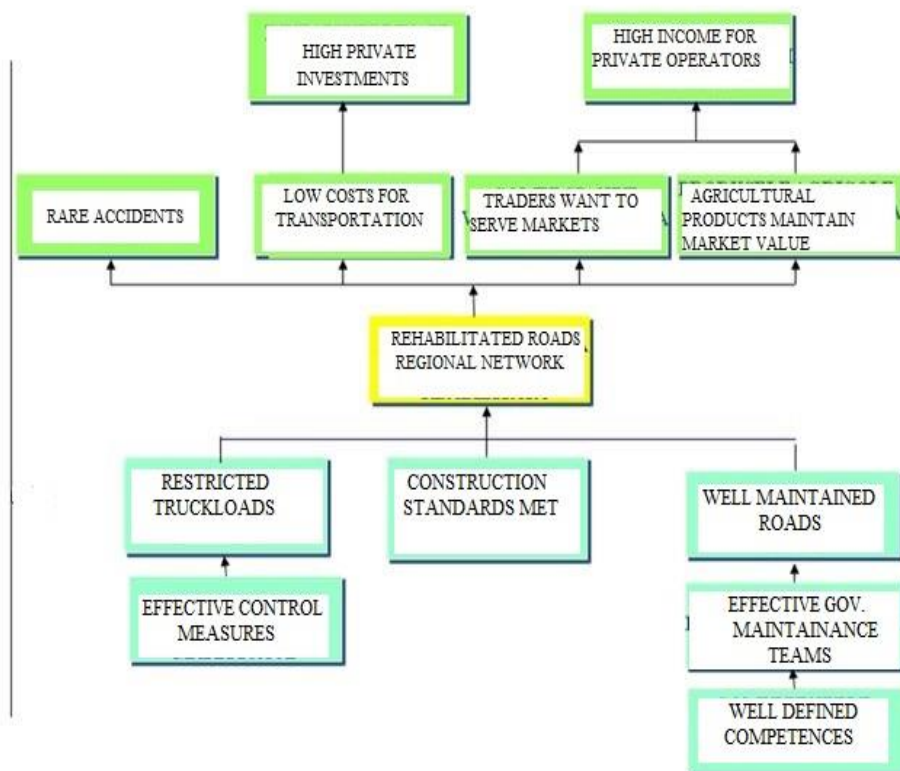
EFFECTS

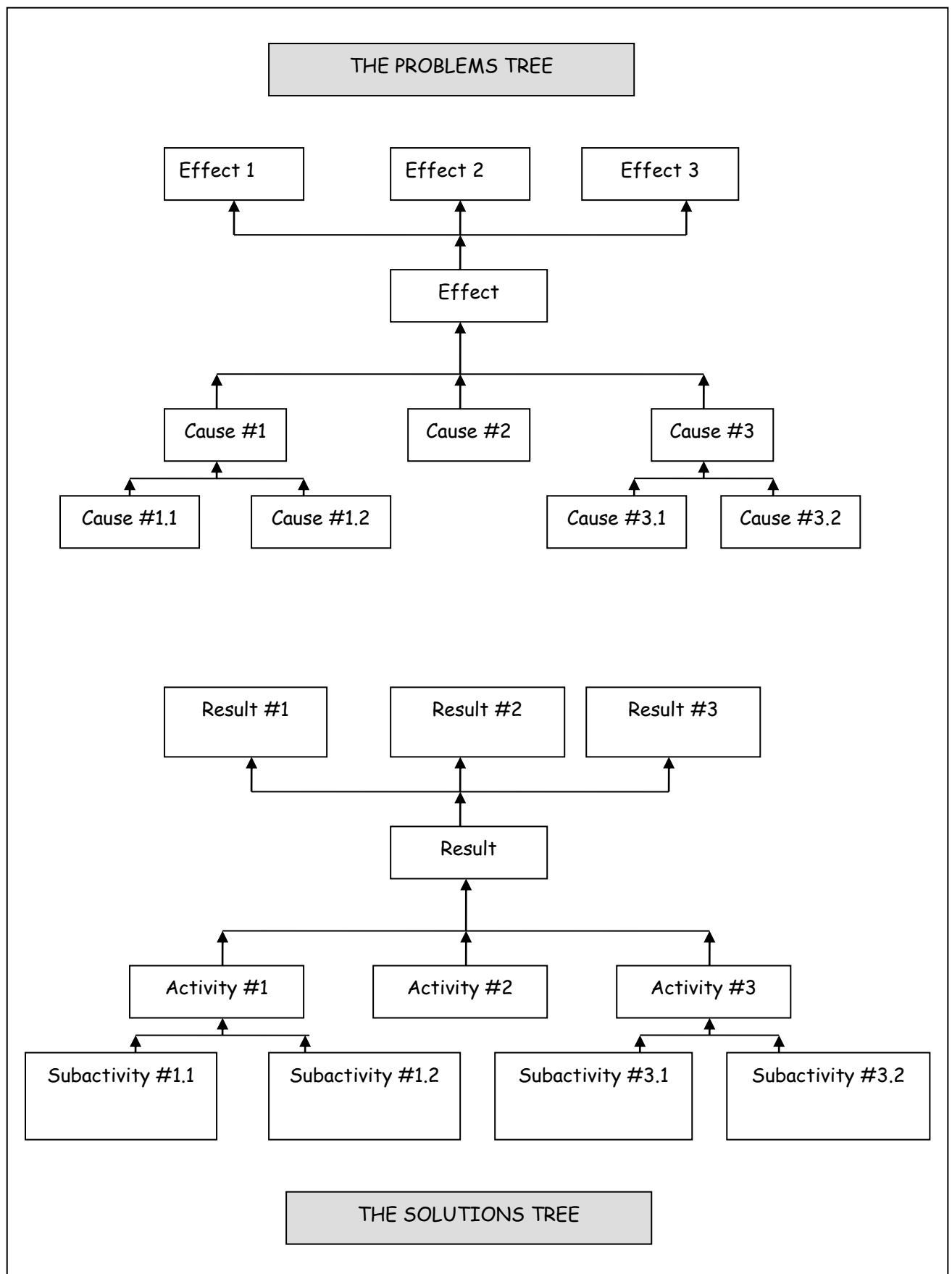
CAUSES



FINAL

MEANS





4.4 Project planning

Key words:	purpose, objectives, tasks, subtasks, "Work Breakdown" structure, budget, cash flow, Gantt
-------------------	--

Projects fail if not properly planned. The perception that project management is a rigid approach, which is based on numerous tomes of information that inhibits imagination, creativity, innovation and favors the planning and control in an inflexible and rigid way is part of unprofessional approach.¹⁶

Defining the scope, objectives and activities

Problem identification and selection of some of them as priority issues on which the one that conceives the project thinks having the greatest chance of giving a response through the proposed activities, causing their overcoming, is just pre-decision and structuring objectives phase (solutions of the identified problems).

The negative situation in problems analysis converts into a positive one, representing the ideal situation in which all issues are resolved. Similarly to analysis of the problems chart we have the **tree solutions diagram**. Reformulating all negative situations from problems analysis into positive, desirable and realistically possible situations, checking in of the cause-effect relationships turning into means-ends relationships make possible the review and finalizing of the objectives.

The purpose (general objective) of the project is more difficult to measure, it points towards a situation (improved for the beneficiaries) we want to reach. The easiest way for the statement of purpose is to give a positive character to the issue. The goal ensures the uniqueness of the project, it does not change throughout the project because thus we could talk about a different project.



Specific objectives are the result of an effort to operationalize the overall objectives. Specific objectives must necessarily be measurable. To be clear and evaluable objectives must be **SMART** formulated:

S – Specific: Is the objective clear? Who? What? When? Where? How is the outcome at the beneficiaries level?

M – Measurable: Are the results quantifiable? How many beneficiaries?

A – Approachable: Is the organization able to achieve it with its capacity?

R – Realistic: The organization has the necessary resources to achieve it in the given time? Is it something feasible?

T – Temporarily restricted: must be achieved within a time frame

Formulating objectives must be appropriate so as not they are not confused with activities.

¹⁶www.gantthead.com Tim Arthur, "The Top 10 Myths of project Management", 25 august, 2003

Example: Reduce school dropout by 5% in Vaslui in the 18 months of project implementation

Below we propose a technique of writing down goals in seven steps ¹⁷:

1. determining outcomes: changes or improvements produced by the project for the target group
2. determining performance indicators: units in achieving results
3. determining performance standards: the value of indicators to ensure that we achieved results
4. determine the time required: the time in which we intend to reach the standard of performance
5. determining the necessary costs
6. writing objectives: "to (a verb of action or condition that reflects the performance indicator) of (target group) up to (performance standard) in a time (period) with a total cost of not more than (cost estimates) "
7. evaluation of the objective: the objective reflects the amount of change you want in the targeted outcome? If yes, than it is a realistic goal. If not, performance indicators probably chosen wrong or standards are too small.



Definition and planning of activities and sub-activities

The objectives are fulfilled by carrying out a set of specific activities. Each activity has a well defined role, it consumes physical and human resources in a well defined time frame, leading to a series of results that we can anticipate and assess.

In formulating an activity we must think of:

- A simple and appropriate name / sentence,
- the name is derived from a verb of action (equipment, training, acquisition, development)
- framing in a proportionate range for implementation
- numbering in a common format, one list for all project activities
- use indentation if the activity is decomposed into subtasks. Subtasks are broken down into tasks.
- specifying the required resources / skills
- emphasizing high-risk activities.

In relation with one another activities may be dependent or independent. They have a specific start date. According to Project Management Institute, relations between activities could be:

- a) from end to start: one activity must end before the second starts;
- b) from end to end: one activity must end before the second ends;
- c) from start to start: one activity must start before the second starts;
- d) from start to end: one activity must start before the second ends.

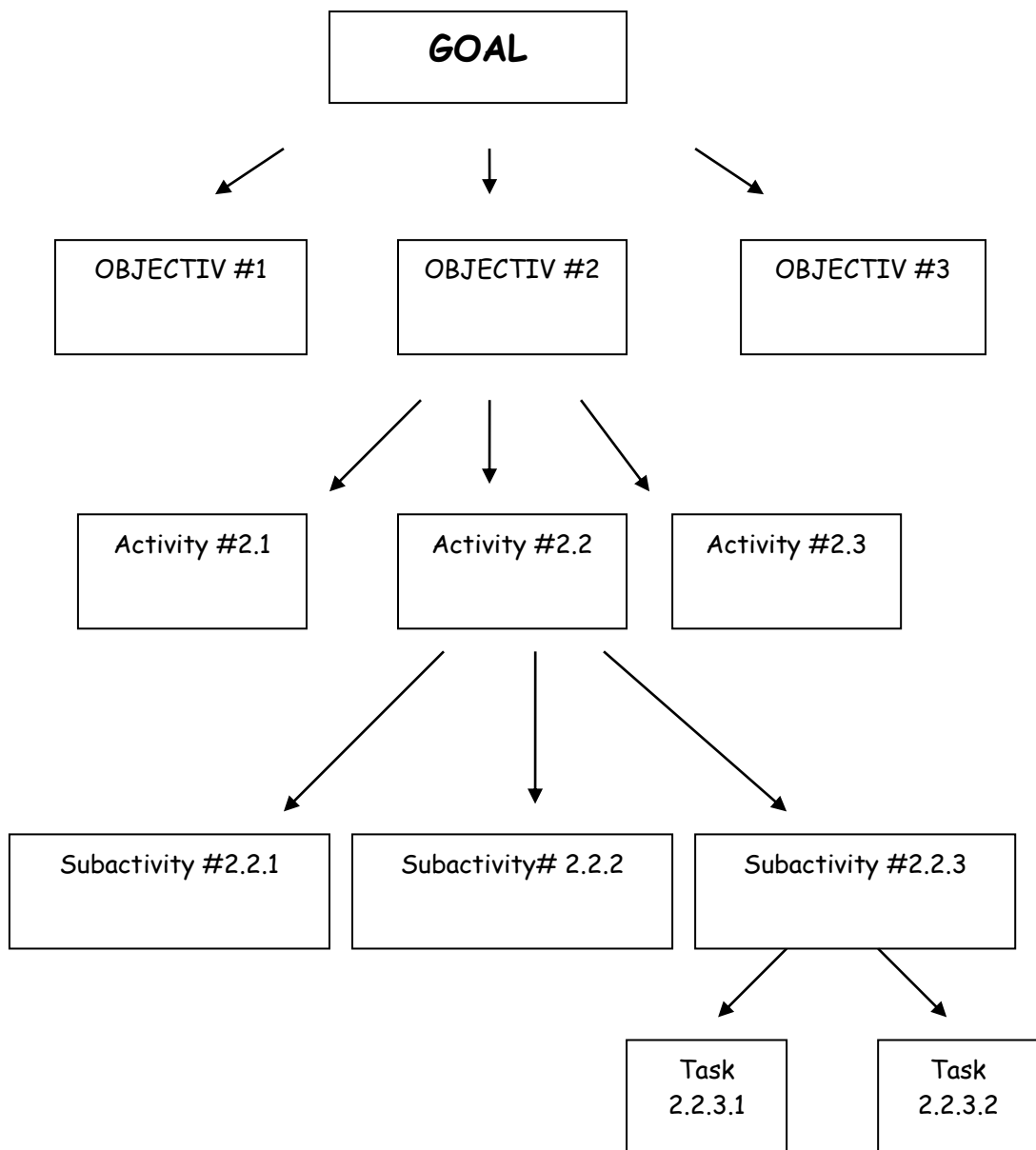
¹⁷Andreea Marc, Trening. Public relations

"Work Breakdown" pattern is defined as a necessary process to identify all the necessary activities and only them for the successful implementation of the project.

WSB may be used as:

1. Procedural instrument of thinking: to see how the activities are defined and how the project can be led
2. Architectural creation tool: the skeleton, the structure for construction of the project
3. Planning tool: the lower level means necessary effort, time and resources
4. Tool for project status reporting: when tasks are fulfilled, subtasks are also performed. When subtasks are performed, the activities are also fully implemented.

WORK BREAKDOWN STRUCTURE (WBS)



Estimating and planning resources

Types of resources: human resources, information resources, materials (supplies and logistics) financial resources, time resources.

WBS presents all the work segmented as detailed as possible so that for every task,

sub-activity, activity can plan resources.

A useful tool in resource allocation and duration for each activity can be following summary:

A.	sA	Human resources	Informational resources	Material resources		Financial resources	Time resources
				Supplies	Logistics		
A1	sA 1.1						
	sA 1.2						

Gantt charts

Gantt charts, known as bar charts, are mainly used for small projects, along with network diagrams and work breakdown structure. They represent networks in which activities are implemented on a horizontal axis of calendar time. An activity is associated with a rod of length proportional to the estimated duration. Gantt charts have the disadvantage to not showing the interdependencies between activities. An example is shown in the table below.

	Month 1				Month 2				Month 3			
	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4
A1												
A2												
A3												
A4												
A5												

For plotting Gantt proceed as follows:

- The project activities are ordered increasing
- Activities are represented by horizontal bars of equal length with durations of the activities
- Each activity is marked with the associated symbol with or order number
- Total reserve time is shown with dashed
- On each horizontal line a single activity is customary to appear

The horizontal axis of the chart: the time scale

The vertical axis of the chart: activity

Project planning tools (logical charts, Gantt charts, work breakdown structure) are useful but are not always adequate to reality, which often simplified. Problems that may occur are:

- underestimation / overestimation of terms of realization of activities;
- omission of important activities;
- lack of independence of operations;
- incorrect ordering and deficient networking;
- gaps in resource allocation;
- incorrect determination of costs etc.

As a result, such a scheme may be indicative only and it needs constant updating, giving up some activities, designing additional activities, reordering of some activities for a simpler approach, identifying and designing activities to be covered in terms of existing resource allocations that often simplifies it.

Anticipated results

The results are actually what you get from a project. They are closely related to the objectives, tasks and subtasks.

When it comes to anticipate the results of the project we have to distinguish between 3 levels of results to fully predict:



- **Output results:** outputs, as a direct result of the activities
- **Outcome results:** at the beneficiaries level, the direct effect of their involvement in project activities
- **Impact results:** the situation changing for the better of the beneficiaries

Example:

Objective: Increase the qualification of 250 employees in the border region RO-MD-UA in the first year of the project

Activity: conduct of 10 training programs type training / retraining with the participation of 250 employees in the border region RO-MD-UA

Output results:

- 10 training programs type training / retraining conducted
- 250 employees participating in training programs type training / retraining conducted

- 250 handouts distributed

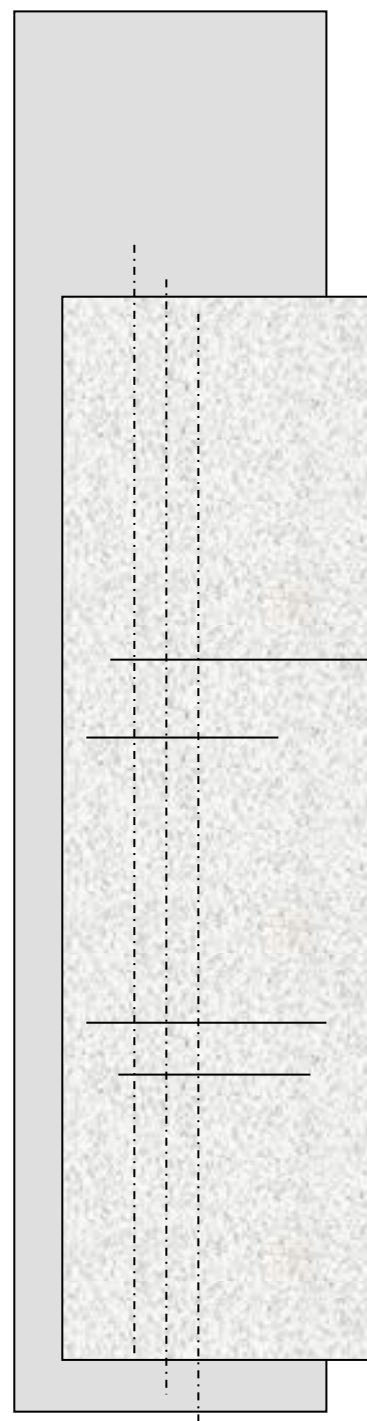
Outcome results:

- 95% of participants in training programs type training / retraining certified
- 238 certified participants

Impact results:

- Increased ability to remain in the labor market for 238 participants
- Increased self-confidence among the 238 participants in terms of their chances for maintaining employment

CHAPTER V Contractual phase
5.1 The financing contract
5.2 Project monitoring – technical and financial component
5.3 Conclusion and evaluation of the project



CHAPTER V

Contractual phase

5.1 The financing contract

Key words:	financing contract, project implementation period, length of contract, addendum, notification
-------------------	---

Usually, in order to receive funding a project must be “well done”, i.e. it must meet a series of strategic and tactical conditions, of which the most important are:

- The adequacy – it must be suitable to achieve the goals and set objectives
- The feasibility of the project - the project is realistic, it can be developed
- Efficiency - optimum consumption of resources for achieving goals
- The simplicity and precision - the project is as complex as to be sufficient and necessary to achieve the objectives (includes only those activities and allocates only necessary and sufficient resources to achieve the set objectives). It should be noted that excessive precision can be as harmful as inaccuracies
- Systematization, readability and clarity - the project is clearly and precisely designed and described
- Operability - the project is easy to apply / achieve
- The unity and consistency - the project is consistent with the promoting organization specific and with the program it is submitted to, it has no conceptual, principled or actionable contradictions
- Continuity - the project is integrated into the activities of past / future of the organization, and each action prepares the following ones
- Flexibility - the project is adaptable - depending on the exterior changes and allows the allocation of resources to unforeseen situations
- Viability - the project is self-sustainable (after removing funding, outcomes may continue to appear)
- Opportunity – its design meets some current needs
- Effectiveness - the project is able to bring the declared results
- Optimum time framing - accurate time horizon of each action or set of actions. The time horizon should be adapted to the project or plan.

There are opportunities for financing under these conditions. The **financing contract** is the legal basis of the project. Key elements of the **financing contract** are:

- financial regulations
- contractual period
- beneficiary's obligations
- addenda / amendments
- contractual arrangements with partners.

Contractual phase is clearly separated from the signing of the **financing contract**. It aims to produce the results, achieve the purpose / general objective, specific objectives, effective management of resources, monitoring / reporting progress. This phase can be divided into three distinct periods: initiation, actual implementation and completion of the project.

In the starting phase the following are performed:

- establishing the organizational structure
- people, resources, facilities, organized to be used effectively and efficiently
 - delegation (determining levels of authority and individual responsibilities)
 - cooperation relations (encouraging people to cooperate to achieve the objectives)
 - communication (emphasizing communication channels horizontally and vertically)

Organizing is the process of defining and allocating tasks in a group or organization to achieve effective and efficient a particular activity. This approach consists of:

- Dividing the activity into subtasks
- Motivating people
- Allocation of tasks in groups / teams / people
- Design communication and coordination mechanism
- Designing the control mechanism of project implementation
- Development the mechanism for project assessment.

5.2 Project monitoring – technical and financial component

Key words:	monitoring, financial and technical periodical report on the progress of the project
-------------------	--

By **monitoring**, the project manager collects, records and reports information on all aspects of project development.

Control is the activity which reduces the difference between plan and reality. Control is the process by which the project manager ensures that the activities are carried out effectively and efficiently.

Importance of control:

- allows adaptation of group / organization to the demands of the external environment
- ensures effective and efficient operation of complex organizations
- allows corrections, identifying and solving problems

Control methods:

- ex-ante: evaluation prior to the project
- during the project

- ex-post: final control
- general control (100%)
- critical points control:
 - organizational system elements whose smooth running the success of the project depends on
 - the mechanism for gathering and processing information should be designed and focused primarily on critical points
 - the information obtained must be relevant, accurate and timely accessible.

Numerous **problems** may arise in the execution phase of the project:

- Problems with compliance with quality specifications;
- The equipment can cost more than expected;
- Activities taking longer than expected;
- Certain key people leave the project;
- The changes increase the workload;
- Equipment suppliers deliver late;
- A subcontractor running a poor quality work, etc.

Solving these problems is routine task for the project manager. It is likely he has anticipated many of these issues in assessing risks and has contingency plans, alternative.

From the point of view of **financial monitoring** documents used are the initial budget, the grant agreement and its annexes, the financial guide. Although the budget was drawn up at the planning stage, there are times when the sponsor does not approve the entire amount, so that it changes in the pre-contracting stage may appear. Thus purchases, payments and subsequent records must consider the last budget approved. Financers have their own rules on eligibility. Usually eligible expenditures are those made in connection with the project that are not excessive and have the supporting documents required by the contract.

Financial control aims at the proper use of funding and complying with the allocated budget. It starts from three basic premises: the initial budget was well thought of in the planning phase, it is continuously monitored during the implementation phase and the level of responsibility and limits on authority regarding the project expenditures are clear for all project team members. If the project is facing a financial problem we have to choose between: identifying additional sources to cover those unexpected costs, failure to achieve the objectives, quality failure, failure of planning in time, termination of the project.

To achieve control the manager must **collect** needed **information** by working sessions, periodic reports, small meetings on specific topics and occasional discussions. The information must be obtained in time, clear, relevant and accurate.

The traditional instrument used in management for monitoring and control is **periodical report** in writing, which is made up monthly or weekly. It is good to recommend a standard form of report, with spaces for information that the manager wants, to highlight elements that deviate significantly from the plan (reporting by exception). From these reports it is good that estimates of future issues result.

The project manager must convene **meetings of analysis** of the state in which the project is, resulting in team mobilization in order to achieve successful cooperation for the

project. Some activities must be agreed with the whole team. Public engagement on these activities is an important element; it must be recorded in the **minutes** and made known to all after the meeting. The **open discussions** are a source of important information. A very approachable manager knows much better the condition of the project than the one that gathers information about only officially.

Monitoring and control are addressed to the following major issues:

1. the time consumed by project delivery - measured as progress compared with plan;
2. used resources - measured on resource usage (hours - man, money, etc.) compared to the initial planning;
3. quality of work - to determine whether the work carried out permit proper implementation of the following tasks;
4. the object of the project – do we fit within the purview of the project and does it continue to be relevant?
5. client – do we still meet his expectations?

Action is the central engine of project management; the manager has the following **levers for acting** to solve problems:

- to change the way the team works: encourage people to work more, change the priority, examine how people actually work;
- to change the distribution of resources in the project: if there are delays or progress is faster than planned, modify the level of resources;
- change the subject of the project: for a project that "suffers" increase the chances of seeing the desired results by reducing the scope and focus efforts on a smaller number of results or important requirements;
- change the approach plan: a plan is a proposal of intent, if it is not good it can be changed;
- to change the quality only after a very thorough analysis. Because of the focus on time and financial limits, quality changes occur unnoticed until reaching a final result below expectations.
- to take decisions and to transfer it above: changes made following a trial decision may be taken, if significant enough, only with external approval;
- to terminate the project.

5.3 Conclusion and evaluation of the project

Key words:	evaluation criteria
-------------------	---------------------

A project can be considered **successfully completed** if the activities are conducted within the timeframe established, with the allocated resources and at the desired level of performance.

Evaluation of a project involves the following major issues:

1. Estimates the relevance, efficiency, effectiveness, impact and sustainability (durability) of the project in relation to its stated objectives;
2. It focuses more on: *results-to-goal and goal-to-general objectives*;
3. Checks the consistency of project planning;
4. Checks the influence of relevant assumptions;
5. It is guided by the principles of impartiality, independence and credibility.

Project evaluation is a **complex, repetitive, tedious and intensive resource consumer process** - but it is an **inevitable and absolutely necessary process**, because it is the only effective method to measure the success of project implementation.

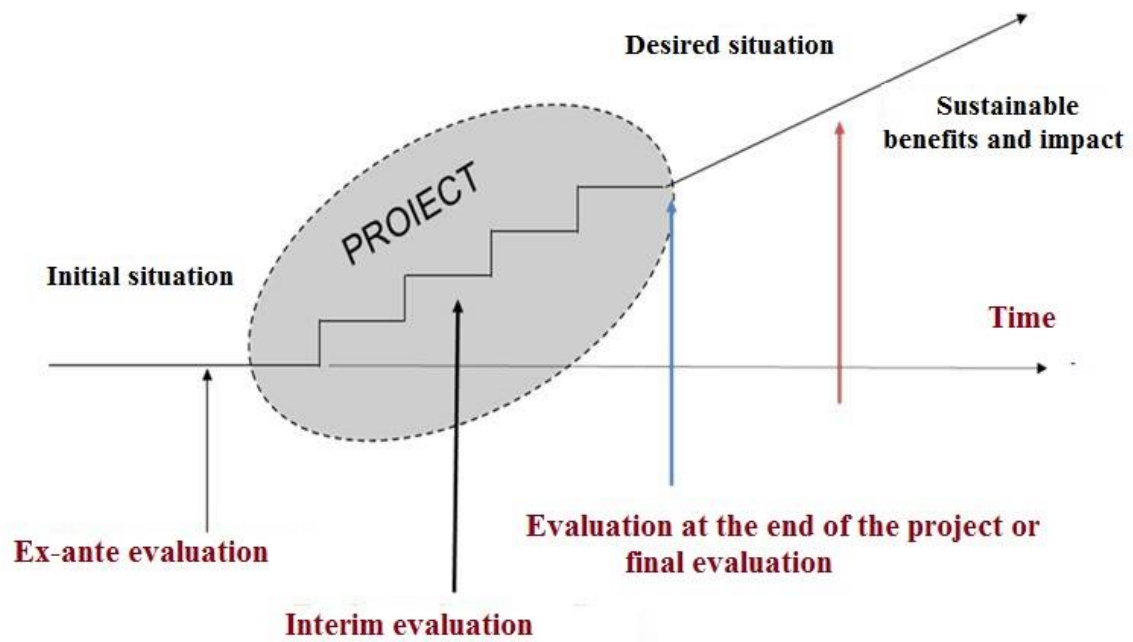
The **methods** of assessing the success of a project will be determined before its implementation (still in planning stage). The tools and assessment procedures must be described, by which we can determine if objectives have been met or not and whether the methods were adequate.

The **rating** means "to estimate the size, value and quality of work". The stages of evaluation of a project are: identification of objectives / identifying the level of gross results (benefits)/ separation of "inertia" (the effects that would have occurred anyway) and the displacement and multiplier effects, in order to obtain added net benefits / analysis of indirect effects.

Project evaluation involves several processes:

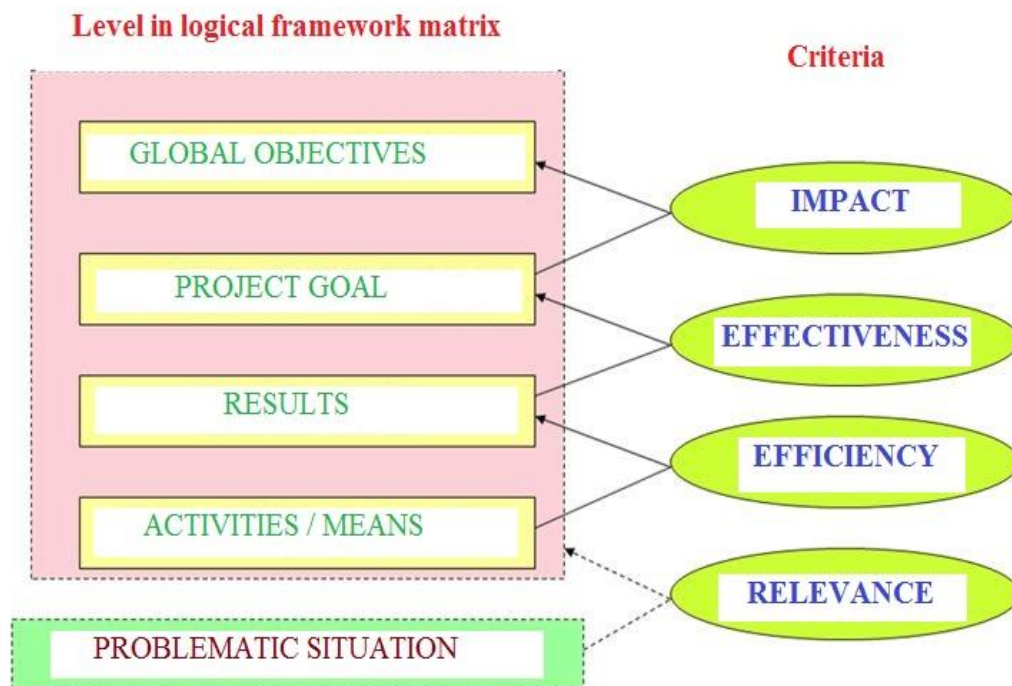
- ***evaluation of the project process:***
 - management, procedures, mechanisms, relations, learning, solutions;
- ***evaluating project performance (against objectives):***
 - effectiveness of the project (achieved objectives / goals planned, the quantity and quality of results)
 - project effectiveness (results / resources, real costs / planned costs)

The types of evaluations are shown in the table below:



In evaluating a project it is necessary to consider at least the following **criteria**:

- Relevance
- Efficiency
- Effectiveness
- Impact
- Durability (Sustainability)



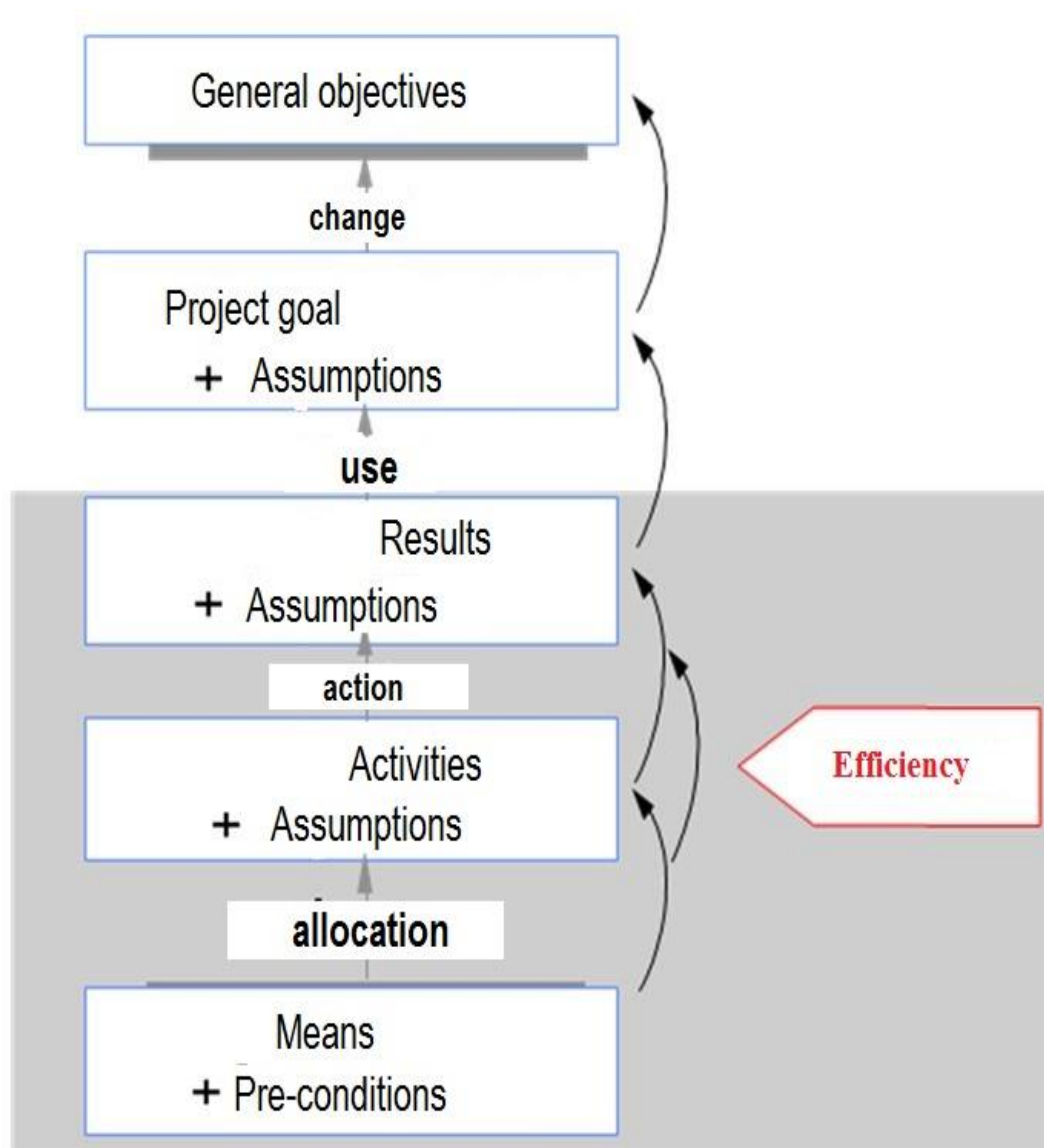
Here are some arguments on the need for a project assessment during its development:

- useful feedback to adapt the project to reality and optimal resolving of the arising problems (future planning of the project)
- harmonize the views of the parties involved; reporting to stakeholders
- improve the management and results of the project, its effectiveness
- providing information for making decisions about the continuation of the project or the choice between several alternatives.

Relevance = the limit within the project concerns the initial problematic situation and is correspondent to the priorities and target group, partner countries and donors policies.

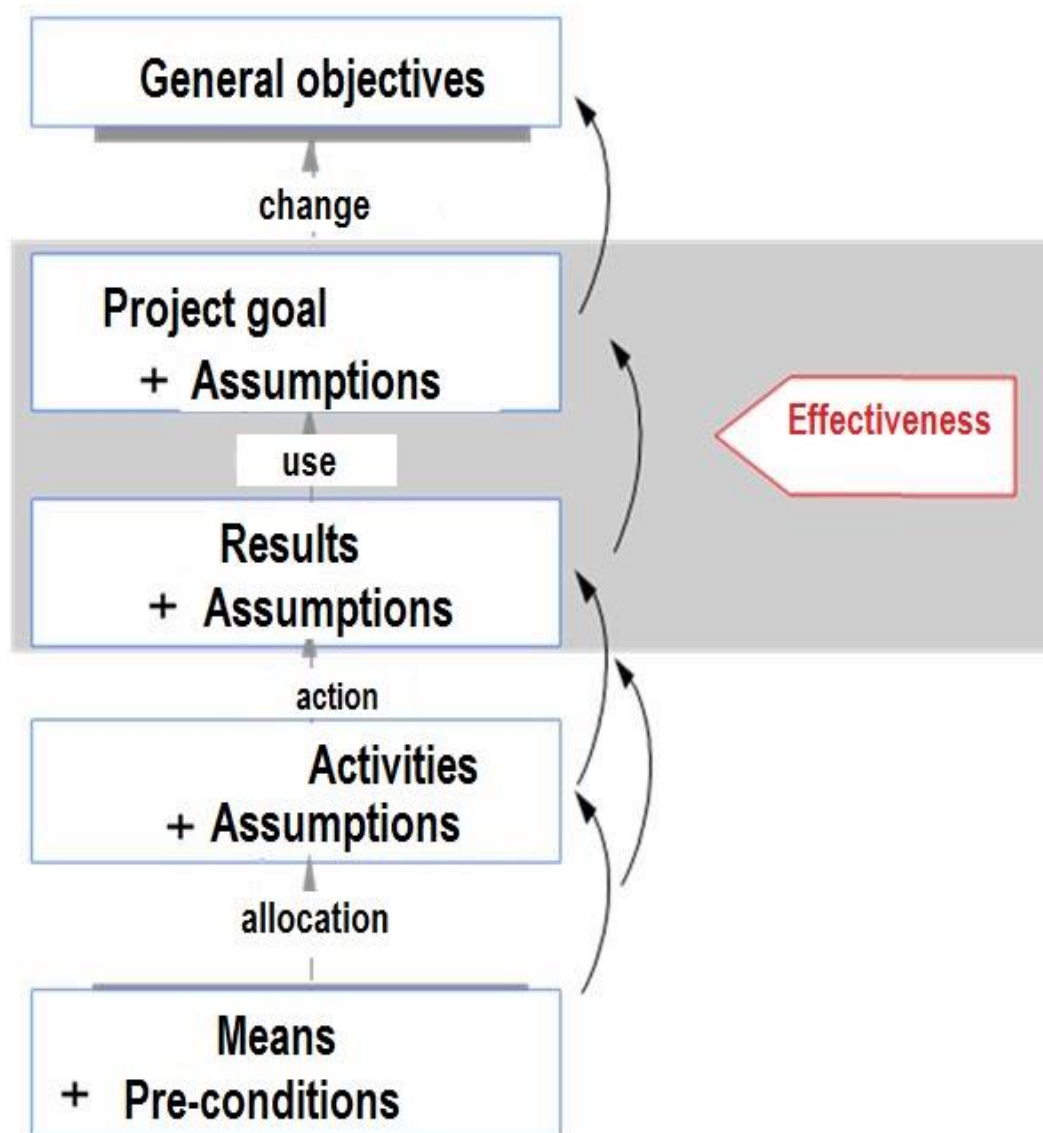
Durability = durability of the advantages the target group gets through the availability and use of project results (goods and services). Durability can be addressed as institutional, social, technical, environmental, economic and financial.

Efficiency rating: analysis on project success by transforming means, through project activities, into concrete results of the project, in terms of quantity, quality and duration.



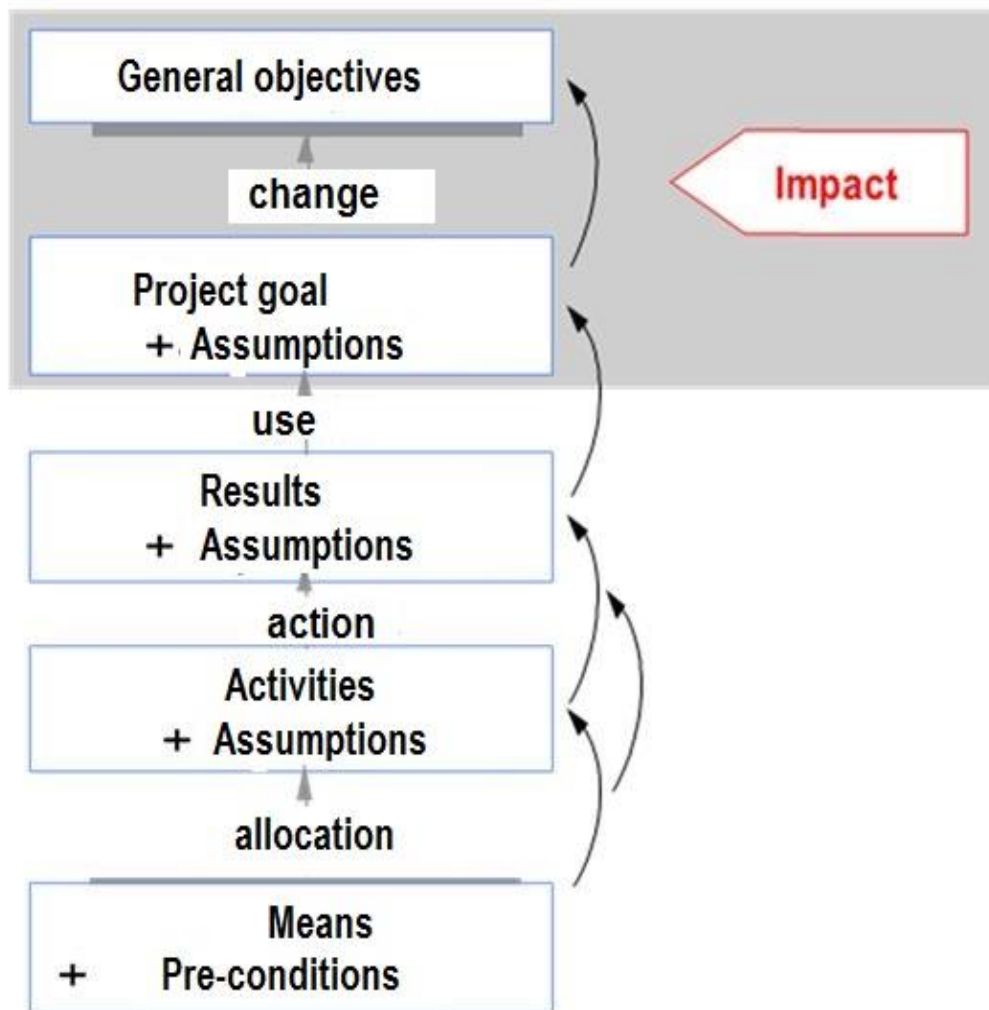
Efficiency = the measure of how efficiently the activities transform inputs into expected outputs in terms of quantity, quality and duration

Effectiveness evaluation: analysis of the availability and use of project results by beneficiaries. This type of analysis involves analyzing the changes and improvements the target group benefits from and uses basic information about the situation before the project as a starting point.



Effectiveness = measures the degree to which the results contribute to the goal

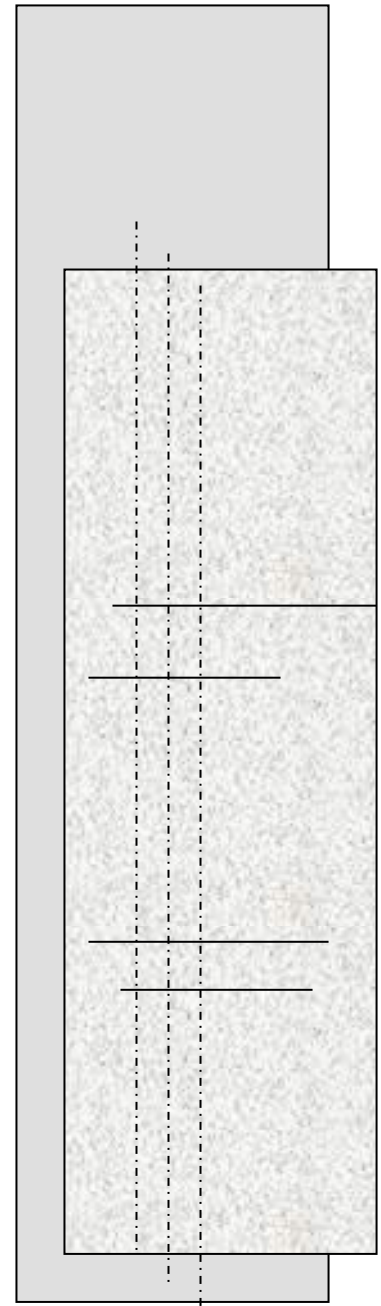
Impact evaluation: analysis of the overall effects of the project and its goal contribution to the overall objectives of the project. This analysis should focus on long-term changes in project environment in its broader socio-economic context and it is based on collecting and analyzing information to the wider levels of community and society.



Impact = measure or estimate of the goal effects on the overall objectives and of the positive / negative changes caused by the project, directly or indirectly, intentionally or unintentionally, in its broader socio-economic context.

CHAPTER VI
Post-contractual phase

6.1 Dissemination and exploitation of the project



6.1 Dissemination and exploitation of the project

Key words:	valorisation, dissemination, exploitation, branding, transfer, mainstreaming, sustainability
-------------------	--

Valuing means disseminating and piloting the most innovative practices and their exploitation in different contexts to the context in which they were initially implemented and their gradual incorporation into formal and informal systems, in the methods used by different stakeholders and in their learning experience.

Dissemination is a planned process of providing information on the quality, relevance and effectiveness of the results of programs and initiatives to key actors. It occurs as and when the results of programs and initiatives become available. The activity takes place both at program and project level and includes the active participation of some intermediary transmission bodies.



Essentially dissemination is to make visible project outcomes or products in particular to the final beneficiaries (e.g. older people if the project foresees the establishment of home care service), target groups and other key stakeholders. It is a process of promotion, which is planned early in the project by a specific document – **dissemination strategy**.

For an appropriate strategy there must be clearly delineated: the expected results of the project, the needs of the target group to which it responds through its activities, which are the intended dissemination actions, whom do we disseminate, what are the most appropriate channels for disseminating information, dissemination activity calendar, resources necessary in this process.

Dissemination with good results involves elements of marketing. Marketing communication is intended to convince stakeholders of the value and benefits of the project. Thus the branding of the project is defined, building its identity and ensuring a positive image. Among the branding activities we can mention:

- establishing a suitable name to express a positive image, to attract and stimulate,
- use of visual identity elements (some are required by funder) used in all communications about the project (special signature on email messages, video, standard format for communication, etc.). The image must be created from the beginning and gradually strengthened to reinforce the perception of the project and finally convince the stakeholders.
- distribution of promotional materials, organizing meetings in different formats and contexts.

In other words, we can detail the following **mechanisms of dissemination**:

- newsletters or magazines published periodically, including in electronic form with the purpose of informing about the project progress;
- press releases to invite or to draw attention to an event;
- press articles produced for the local / regional / national / international media;
- brochures, posters, flyers and other promotional material that briefly describes the project and promote its activities and products;
- compendia of projects, best practice examples, containing summaries effect on the project;
- conferences, exhibitions, workshops / seminars;
- a database of individuals / organizations interested to multiply information;
- www – Internet has become the most used tool for dissemination. To ensure that this site is accessible is advisable to use option number of visitors / hits. Also to promote the site links can be made from similar sites, site promotion within bloggers community.

The dissemination plan must be very flexible to be able if necessary to include new target groups / stakeholders. Because beneficiaries' needs change over time, it requires periodic reassessment of their strategy and adapt the strategy to new assessments.

The term of **exploitation** is associated with the use of project outcomes at various levels, aiming to persuade the stakeholders to effectively use these results. Depending on the level of decision, exploitation has two directions:



- **multiplication:** planned process of convincing end users to adopt and / or apply the results of the project / programs / initiatives;

- **mainstreaming (integration into policies):** planned process of transferring the successful results of programs / initiatives to appropriate decision-makers in local / regional /

national / European systems.

The results of a project can really produce a real change at both micro (in the lives of individuals or groups) and macro level (influencing systems and policies). But change is possible only if the results are taken. Operating means to enable adoption are varied and differ in complexity, success depends on the appropriateness of choosing the type of results and targeted beneficiaries. If the outcome of the project is, for example, a new method or a new product, then the used mechanisms could be transfer, marketing, sustainability. If the project has less tangible results, such as experience in mobility, then accreditation may be a more appropriate mechanism.

The most common **mechanisms of exploitation** are:

- **Transfer:** enhances good practice by spreading results. It can occur at any level, and the results can be used in new contexts, or can be easily adapted and changed to suit a new context.

- **Marketing:** is intended mostly for tangible products, it is advisable to clarify the issue of ownership (especially when there are several partners that have contributed to them)
- **Sustainability:** after the project, the results must remain visible and available
- **Accreditation** / obtaining **qualifications** / **recognized skills, involvement in active networks** in the same field / on the same topic

Exploitation plan must be a flexible approach to ensure end users feedback at each stage of the project implementation. We should demonstrate understanding and constant concern for the needs, expectations and motivations of the target group. Stakeholder identification must not be limited to the onset of the planning effort for writing the project, but there must be a permanent opening to accept new groups interested in the products and results of the project and make the necessary arrangements to make them available to them if possible.

Also bear in mind that valuing efforts are not concentrated exclusively in the external environment, disseminating information about the project should be done at the organizational level too.

Quality activities in the dissemination and exploitation of results can be quite costly. Costs are broken down by type and content of the project, by organizational budget and donors limitations.

In short, **valuing** means carrying a minimum five stages:

- clear justification of dissemination and exploitation objectives (existing needs, expected results and beneficiaries of these results);
- strategy of identification the results that will be disseminated and target groups towards which the dissemination activities will be undertaken;
- choice for each partner involved in the project;
- implementation of the strategy (the actual conduct of the activities aimed at enhancing results);
- monitoring and evaluation of dissemination and exploitation activities.

Annex: Project sheet

PROJECT SHEET

1.Title

2.Location

3.Total amount of the project

4. The proposed partnership structure

Details about the applicant: Requesting details: Name, age, number of members, mission, products / services it provides	
Detalii parteneri:	

5. Project description

5.1.Problem:		
5.2. SWOT analysis:	<u>Strenghts</u>	<u>Weaknesses</u>

	<u>Oportunities</u>	<u>Threats</u>
5.3. Goal (General objective)		
5.4. Specific objectives		
5.5. Target group		
5.6. Direct beneficiaries		
5.7. Indirect beneficiaries		
5.8 Outcomes: Expected results that are obtained by reaching the goals		
5.9 Activities/		

Subactivities (WBS - Work Breakdown Structure)	
5.10 Outputs: Results / outputs that are obtained from the execution of activities	
Project team:	

6. The project duration

7. The budget of the project

7.1. Budget by expenditure category

Highlight categories of expenditure necessary for project implementation.

7.2. Budget by expenditure categories and activities

For each activity highlight categories of expenditure required for carrying out that activity.

7.3. Budget by source of funding

Highlight the estimated costs of the project in euro.

Total ineligible costs		Own eligible contribution		Amount requested from the Funder / s	
Applicant	Partner	Applicant	Partner	Applicant	Partner

Work team:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____

Bibliografy

1. Project Management Romania Association, Project Management: glossary, Economic Publishing House, Bucharest, 2002;
2. Bargaoanu Alina, Project Management - ongoing virtual university business, SNSPA, Bucharest
3. Crocnan Daniel Ovidiu, Calotă Monica, Project Management (student manual);
4. Look Denis, Project Management, Codecs Publishing, Bucharest, 2000;
5. Webster's Online Dictionary
6. Project management Dictionary, AFITEP, French Association of project management, translation from French Ion Năftăilă, Technical Publishing House, Bucharest, 2001;
7. Ivanolic A, P.H. Collin, Human resource and personnel management dictionary, translation from English, Necula Emma, Năftăilă Ion, Petrescu Alina, Technical Publishing House, Bucharest
8. Jean - Paul Louisot, What Makes an Effective risk Manager?, Risk Management Magazin, June 2003
9. Project management manual, Romanian Government, European Integration Department (1998);
10. Ovidiu Nicolescu, Systems, methods and management techniques of organization, Economic Publishing House, 2000, Bucharest;
11. Opran Constantine, Project Management Course, SNSPA, Bucharest, 2002;
12. Project Management Institute, A Guide to the Project Management Body of Knowledge, 2000 Edition;
13. Purcărea Anca, Cristian Niculescu, Doina Constantinescu, Management - Fundamental elements, Niculescu Publishing House, Bucharest
14. Liliana Paraipan, Corina Stanciu, Risk Management, Romanian Commodities Exchange, Bucharest, 2001;
15. R. Max Wideman, Fundamental Principles of Project Management, Project Management Forum, Digest volume 4, no. 7 July 1999
16. Romanian Standard SR 13465: 2007;
17. Szuder Andrei, Project Management, Bren Publishing, Bucharest, 2001
18. Tran Vasile, Stanciugelu Irina, Theory of Communication, Ministry of Education and Research, SNSPA, Bucharest, 2001
19. <http://www.compendiu.ro>
20. <http://www.ganttthead.com>
21. <http://www.projectmanagement.ro>
22. <http://www.finantare.ro>
23. <http://www.infoeuropa.ro>